

EXHIBIT 1

All Redactions Not Applicable to Property - Content Intentionally Removed

Disclosure Statement



It is our pleasure to present the enclosed policy to you
for presentation to your customer.

INSTRUCTION TO AGENT OR BROKER:

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

Disclosure Statement



NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company
and its underwriting subsidiaries.

Property Insurance Policy



Zurich North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am~4pm [CT])
Email: info.source@zurichna.com



Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

President

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am - 4pm [CT])
Email: info.source@zurichna.com

Insured Name: Marriott International, Inc.

Policy Number: PPR 3700638-17

Effective Date: 04/01/2019



THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

DISCLOSURE OF IMPORTANT INFORMATION

RELATING TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

Not Applicable – Terrorism Exclusion

*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share will decrease by 5% from 85% to 80% over a five year period while the insurer share increases by the same amount during the same period. The schedule below illustrates the decrease in the federal share:

January1, 2015 – December 31, 2015 federal share: 85%

January1, 2016 – December 31, 2016 federal share: 84%

January1, 2017 – December 31, 2017 federal share: 83%

January1, 2018 – December 31, 2018 federal share: 82%

January1, 2019 – December 31, 2019 federal share: 81%

January1, 2020 – December 31, 2020 federal share: 80%

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;

3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



Louisiana Citizens Property Insurance Corporation

2005 Emergency Assessment

The Louisiana legislature established the Louisiana Citizens Property Insurance Corporation to provide insurance to homeowners and other property owners who cannot find insurance coverage in the private market. Louisiana Citizens Property Insurance Corporation is permitted by law to fund its deficits through assessments on the private insurance market.

As a result of the 2005 hurricanes, Louisiana Property Insurance Corporation has issued an Emergency Assessment to be applied to all FAIR Plan assessable insureds. The Emergency Assessment applies to certain property insurance including insurance for fire, allied lines (including mobile homes), homeowners' multi-peril, and the property insurance portion of the commercial multi-peril policies. Insurers are required to collect and remit the Emergency Assessment to the Louisiana Citizens Property Insurance Corporation. The assessment is pro-rated for subsequent premium changes resulting from endorsement and cancellation activity.

The factor applied to this policy as a result of the Louisiana Citizens Property Insurance Corporation Emergency Assessment for new or renewal policies on or after January 1, 2019 is 2.65%:

2005 LA FAIR Plan Emergency Assessment 2.65%

The emergency assessment is not subject to premium taxes, fees, or commissions.

Payments of the 2005 LA FAIR Plan Emergency Assessment may be refundable.

Information for both individual and business policyholders on how to determine the amount of credit, when the credit can be claimed, what documents should be filed and the required forms is available online at the web site of the Louisiana Department of Revenue:

Individual: <http://www.revenue.louisiana.gov/Individuals/CitizensInsuranceTaxCredit>

Business: <http://www.revenue.louisiana.gov/Businesses/CitizensInsuranceTaxCredit>



Illinois Civil Union Act Policyholder Notice

On June 1, 2011, Public Act 96-1513, the Religious Freedom Protection and Civil Union Act ("the Act") became effective. Under the Act, both same-sex and opposite-sex couples may enter into a civil union. A party to a civil union is entitled to the same legal obligations, responsibilities, protections, and benefits as are afforded or recognized by the law of Illinois a spouse; whether they derive from statute, administrative rule, common law, or any other source of civil or criminal law. A marriage between persons of the same sex, a civil union, or a substantially similar legal relationship other than common law marriage, legally entered into in another jurisdiction, shall be legally recognized in Illinois as a civil union.

CAUTION: FEDERAL LAW RIGHTS MAY OR MAY NOT BE AVAILABLE:

Illinois law grants parties to a civil union the same benefits, protections and responsibilities that flow from marriage under state law. However, some or all of the benefits, protections and responsibilities related to health insurance that are available to married persons under federal law may not be available to parties to a civil union. For example, the Employee Retirement Income Security Act of 1974, a federal law known as "ERISA" controls the employer/employee relationship with regard to determining eligibility for enrollment in private employer health benefit plans. Because of ERISA, Act 91 does not state requirements pertaining to a private employer's enrollment of a party to a civil union in an ERISA employee welfare benefit plan. However, governmental employers (not federal government) are required to provide health benefits to the dependents of a party to a civil union if the public employer provides health benefits to the dependents of married persons. Federal law also controls group health insurance continuation rights under "COBRA" for employers with 20 or more employees as well as the Internal Revenue Code treatment of health insurance premiums. As a result, parties to a civil union and their families may or may not have access to certain benefits under this policy, contract, certificate, rider or endorsement that derive from federal law. You are advised to seek expert advice to determine your rights.



SANCTIONS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

SANCTIONS EXCLUSION

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate applicable trade or economic sanctions listed by the Office of Foreign Assets Control of (OFAC) of the US Department of Treasury. OFAC maintains a list of Specially Designated Nationals and Blocked Persons.

If an insured or claimant appears on the list or otherwise is determined to have violated a sanction imposed by U.S. law, the policy will be considered blocked; and

If the policy is blocked, we will not pay any benefits or refund premiums without authorization from OFAC.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED



Property Declarations

Policy Number
PPR 3700638-17

Named Insured and Mailing Address
MARRIOTT INTERNATIONAL, INC.
10400 FERNWOOD ROAD
DEPT. 52/924.36
BETHESDA, MD 20817

The following are all hereafter referred to as the Insured including legal representatives.

The Named Insured; and
Any subsidiary of the Named Insured, the Named Insured's interest in any partnership, joint venture, or other legal entity in which the Named Insured has management control or ownership as now constituted or may hereafter be constituted or acquired.

The inclusion of more than one (1) Insured under this Policy will not operate to increase the total limit of insurance beyond the total limit of insurance stated in this Policy.

The Stock Company (providing insurance)

ZURICH AMERICAN INSURANCE COMPANY
SCHAUMBURG, IL 60196

Producer
MARSH USA, INC
1050 CONNECTICUT AVENUE NW
SUITE 700
WASHINGTON, DC 20036

Policy Period
Coverage begins 4/01/2019 at 12:01 AM. Coverage ends 4/01/2020 at 12:01 AM.

Insuring Agreement

In consideration for the premium charged and subject to all the terms and conditions, this Policy insures the Named Insured (hereinafter called the Insured) during the Policy Period and for an amount not exceeding its proportionate share of the Limit(s) of insurance specified in the forms and endorsements attached.

Insurance provided under this policy applies to loss or damage caused by or resulting from risks of direct physical loss of or damage from any external cause to covered property occurring at a premises described within the Territory of the policy, unless excluded.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Forms Applicable to This Policy

Form Name	Form Number	Edition Date
MANUSCRIPT POLICY FORM		
Important Notice – In Witness Clause	U-GU-319-F	01/09
Disclosure of Important Information Relating to TRIA	U-GU-630-D	01/15
Louisiana Citizens Property Insurance Corp.		
2005 Emergency Assessment	U-GU-741-L	01/19
Illinois Civil Union Act Policyholder Notice	U-GU-1110-B	10/11
Sanctions Exclusion Endorsement	U-GU-1191-A MD	03/15
Property Insurance Policy Cover	U-CP-MAN-Cover	11/17
Property Declarations	U-CP-D-MAN	11/17
Revised Definition of Spouse Endorsement	U-GU-1223-B-CA	09/16
International Property Endorsement	N/A	N/A
Exclusion of Loss Resulting from Certified Acts of Terrorism with Exceptions and Sub-Limits	U-GU-685-C	01/15
Multiple Policies Endorsement	N/A	N/A
Amendatory Endorsement – Puerto Rico	UGU 1000-A	06/09
Fine Arts Underlying Coverage Endorsement	N/A	N/A
Named Windstorm Deductible Endorsement	N/A	N/A

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PARTICIPATION PAGE

As stipulated in DECLARATIONS Paragraph 7, PARTICIPATION – Section 7.A and 7.B, this Company's Limit of Liability under this Policy will not exceed its proportion of the Limits of Liability as Stipulated in Paragraph 8 of this policy nor the Company's specific participation in the respective layer as follows:

PARTICIPATION 7.B

Insurer	Policy No.	Layer	Insurer Participation	Signature
Zurich American Insurance Company		\$200,000,000	100%	
Zurich American Insurance Company		\$300,000,000 excess of \$200,000,000 excluding Earth Movement in the state of California	6.5%	
Zurich American Insurance Company		\$300,000,000 excess of \$200,000,000	93.5%	
Zurich American Insurance Company		\$1,000,000,000 excess of \$500,000,000	100%	

DECLARATIONS - SECTION A

1. NAMED INSURED

Marriott International, Inc. and any subsidiary, associated or allied company, corporation, firm, organization, and Marriott International, Inc.'s interest in any partnership or joint venture in which Marriott International, Inc. has management control or ownership as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as the "Insured", including legal representatives.

Further, at the option of Marriott International, Inc., the interests of third-party franchisees and licensees as respects franchised hotel locations shall also be covered under this policy subject to the terms and conditions specified herein.

2. MAILING ADDRESS

Marriott International, Inc.
10400 Fernwood Road
Dept. 52/924.36
Bethesda, MD 20817

3. POLICY DATES

FROM: 1 April 2019 at 12:01am Local Standard Time at the location of the property insured
TO: 1 April 2020 at 12:01am Local Standard Time at the location of the property insured

The actual effective time of attachment of this insurance on the above date shall be the same time as the actual effective time of cancellation or expiration of policie(ies) replaced or renewed by this policy.

4. TERRITORY

This Policy covers Insured Locations worldwide except for loss or damage in the following countries:

Cuba, Iran, Iraq, Kampuchea (Cambodia) and North Korea or any other country where trade relations are unlawful as determined by the Government of the United States of America.

Notwithstanding any other terms under this policy, this Company shall not be deemed to provide coverage nor will this Company make any payments or provide any service or benefit to any insured, mortgagee, loss payee or beneficiary under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

5. INSURED LOCATION

- A. The coverages under this Policy apply to an Insured Location in the policy Territory unless otherwise provided.

Insured Location is a location:

- 1) listed on a schedule on file with this Company.
- 2) covered as a Miscellaneous Unnamed Location. Any locations of the Insured which do not appear on the schedule on file with this Company shall be considered a Miscellaneous Unnamed Location.
- 3) covered under the terms and conditions of the Automatic Coverage or Errors and Omissions provisions.

B. References and Application. The following term(s) wherever used in this Policy means:

- 1) Location:
 - a) as specified in the schedule of locations, except for Miscellaneous Unnamed Locations; or
 - b) if not so specified or if a Miscellaneous Unnamed Location, a building, yard, dock, wharf, pier, jetty, or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this References and Application.

6. CURRENCY

All amounts, including deductibles and limits of liability, indicated in this Policy are in the currency of the United States of America, except for Insured Locations in Canada where such amounts will be in Canadian currency. Losses will be adjusted and paid as provided in the CURRENCY FOR LOSS PAYMENT clause of the LOSS ADJUSTMENT AND SETTLEMENT section.

7. PARTICIPATION

This policy covers for a 100 percent interest in this insurance, and this Company shall not be liable for more than 100 percent of the limits of liability set forth herein.

8. PROGRAM LIMITS OF LIABILITY

The Company's maximum limit of liability in a single OCCURRENCE regardless of the number of Locations or coverages involved will not exceed its proportion of the program limit of liability of \$1,500,000,000. When a limit of liability for a Location or other specified property is shown, such limit will be the maximum amount payable for any loss or damage arising from direct physical loss or damage at such Location or involving such other specified property.

If a lesser limit of liability is stated below or elsewhere in this Policy, the lesser limit will apply. The limits of liability stated below or elsewhere in this Policy are part of and not in addition to the Policy limit of liability.

Limits of Liability stated below apply in the aggregate per OCCURRENCE for all Locations and coverages involved.

When a limit of liability is shown as applying in the Aggregate during Any Policy Year, the Company's maximum limit of liability will not exceed such limit during any policy year regardless of the number of locations and coverages involved.

Sublimits of Liability are as follows:

Program Limits of Liability

\$ 500,000,000	FLOOD per OCCURRENCE and in the Aggregate during Any Policy Year, excluding storm surge and FLOOD as respects Named Windstorm not to exceed \$500,000,000 limit per OCCURRENCE and in the Aggregate during Any Policy Year for FLOOD at locations scheduled in Appendix E, and \$ 50,000,000 limit per OCCURRENCE and in the Aggregate during Any Policy year for FLOOD in the Netherlands; EARTH MOVEMENT per OCCURRENCE and in the Aggregate during Any Policy Year but not to exceed \$500,000,000 limit per OCCURRENCE and in the Aggregate during Any Policy Year for EARTH MOVEMENT in California, and \$150,000,000 limit per OCCURRENCE and in the Aggregate during Any Policy Year for EARTH MOVEMENT in Japan; NAMED WINDSTORM including storm surge and FLOOD resulting from NAMED WINDSTORM per OCCURRENCE Debris Removal (or 25% of the amount of direct physical loss or damage and Time Element loss payable at the location, whichever is greater);
\$ 250,000,000	Automatic Coverage, subject to 120 days reporting, after which a \$150,000,000 sublimit applies if the location is not reported; Service Interruption – Property Damage and Time Element combined;
\$ 200,000,000 applies to each of the following:	Accounts Receivable; Contingent Time Element; Expediting Expense; Extra Expense
\$ 150,000,000 applies to each of the following:	Deferred Payments; Errors and Omissions; Leasehold Interest; Miscellaneous Unnamed Locations; Mold, Wet or Dry Rot, as a result of direct physical damage not otherwise excluded; [REDACTED]

\$ 100,000,000 applies to each of the following:	<div style="background-color: black; width: 250px; height: 1.2em; margin-bottom: 5px;"></div> Landscaping Improvements;
\$ 50,000,000	Debt Restructuring;
\$ 25,000,000 applies to each of the following:	Fine Arts; Professional Fees; Soft Costs; Transit, except \$ 1,000,000 for Transit Time Element losses;
\$ 5,000,000 applies to each of the following:	Guest Rebates, per OCCURRENCE and in the Aggregate during Any Policy Year; Land and Water Contaminant Or Pollutant Cleanup, Removal and Disposal (OCCURRENCE and in the Annual Aggregate); Property of Others/Guest Property, per OCCURRENCE and in the Aggregate during Any Policy Year; Walked Guests;
\$2,500,000	Cancellation of Bookings; but not to exceed \$2,500,000 in the Aggregate during any policy year excess of \$2,500,000 per Occurrence and Annual Aggregate as outlined in PARTICIPATION PAGE, CANCELLATION OF BOOKINGS PARTICIPATION 7.C

Time Limits

In addition to the time limits shown elsewhere in this Policy, the following apply:	
365 day period:	EXTENDED PERIOD OF LIABILITY
365 day period	DOWNZONING TIME ELEMENT
365 day period:	CANCELLATION OF BOOKINGS
120 day period:	AUTOMATIC COVERAGE
90 day period:	ORDINARY PAYROLL
90 day period:	INGRESS/EGRESS –15 Statute Miles
90 day period:	INTERRUPTION BY CIVIL OR MILITARY AUTHORITY – 15 Statute Miles

Each time limit shown above is not to exceed the applicable limit of liability shown in the Limits of Liability section.

9. PREMIUM

This Policy is issued in consideration of an initial premium. If the term of this Policy is longer than one year, for each subsequent year of coverage, premium will be due at the anniversary and will be subject to rules and rates in effect at that time.

10. PREMIUM PAYABLE

Marriott International, Inc. pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of Marriott International, Inc.

11. ADJUSTMENT OF PREMIUM

The premiums for this policy were negotiated based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, premiums may be negotiated in accordance with rates in effect at that time.

12. VALUE REPORTING PROVISIONS

The Insured will provide the Company 100% values by location.

These statement(s) of values are due no later than sixty (60) days from the due date(s) shown below.

<u>Values as Of</u>	<u>Due Date</u>	<u>Type of Values</u>
1 April	1 April	Property values in accordance with the VALUATION clause of the LOSS

ADJUSTMENT AND SETTLEMENT section.

1 April

1 April

Time Element values anticipated for the 12 months following the "Value as Of" date, and the actual Time Element values for the previous 12 month period.

13. WAITING PERIOD

For the purposes of applying SERVICE INTERRUPTION – TIME ELEMENT Coverage, the Waiting Period is eight (8) hours. The Company will not be liable for any loss or damage unless the period of interruption of service exceeds the specified WAITING PERIOD and then such potential liability shall be adjusted per the terms and conditions of the policy.

14. DEDUCTIBLES

Subject to the Participation provisions as stated in clause 7 above, in each case of loss covered by this Policy, the Company will be liable only if the Insured sustains a loss in a single OCCURRENCE greater than the applicable deductible specified below, and only for its share of that greater amount.

Unless otherwise stated below:

- A. When this Policy insures more than one location, the deductible will apply against the total loss covered by this Policy in any one OCCURRENCE.
- B. If two or more deductibles provided in this Policy apply to a single OCCURRENCE, the total to be deducted will not exceed the largest deductible applicable, unless otherwise provided.
- C. In any occurrence where loss or damage is caused by more than one peril insured against under this policy, the Insured shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.

Policy Deductible(s)

\$ 25,000 Combined Property Damage/Time Element per OCCURRENCE, except as noted below:

Exceptions to Policy Deductible(s)

- A. \$ 100,000 Combined Property Damage/Time Element per OCCURRENCE for Gaylord hotels,
- B. \$ 10,000 Combined Property Damage/Time Element per OCCURRENCE for locations outside the United States, its territories and possessions,

- C. \$10,000 Combined Property Damage/Time Element per residential or condominium unit not to exceed \$25,000 per OCCURRENCE, however, this deductible shall not apply to water damage.
- D. For locations during the course of construction prior to securing a certificate of occupancy:
- \$ 25,000 combined all coverage (except \$10,000 for locations outside the United States, its territories and possessions) if the total reported values of the property under construction, upon completion, will be less than \$ 50,000,000,
 - \$ 100,000 combined all coverages if the total reported values of the property under construction, upon completion, will be between \$ 50,000,001 and \$ 100,000,000,
 - \$ 250,000 combined all coverages if the total reported values of the property under construction, upon completion, will be more than \$ 100,000,000.

As respects course of construction at hotels in operation, the deductible listed in this Paragraph 14.D. only applies to the portion of the building or location that is not certified for occupancy.

- E. For the Peril of FLOOD, excluding FLOOD as respects Named Windstorm and excluding storm surge:

If direct physical loss or direct physical damage by fire, explosion, sprinkler leakage or water damage results, such resulting loss or damage, not otherwise excluded herein, shall not be subject to the following deductibles. Instead the deductible specified for the cause of such resulting loss or damage shall apply.

1. For locations in Venice, Italy and Florence, Italy. and [REDACTED]

5% of the Property Damage values last reported of Buildings and/or Personal Property affected.

5% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 1,000,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

2. For Locations per Appendix E:

2% of the Property Damage values last reported of Buildings and/or Personal Property affected.

2% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the

Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 500,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

3. For all other locations in Aruba, Barbados, Dominican Republic, Hawaii, Jamaica, Cancun Mexico, Puerto Vallarta Mexico, Puerto Rico, U.S. Virgin Islands, St. Kitts & Nevis, Trinidad & Tobago and [REDACTED] :

2% of the Property Damage values last reported of Buildings and/or Personal Property affected.

2% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 500,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

4. All other locations \$100,000 per occurrence.

In the event that the Insured maintains underlying insurance through the National Flood Insurance Program, it is agreed that this policy excludes the peril of flood to the extent of recovery under such National Flood Insurance Policy(s). Should the amount of loss payable under such National Flood Insurance Policy(s) exceed the applicable flood deductible under this policy, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(s) is less than the applicable flood deductible under this policy, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the Insured's National Flood Insurance Policy(s) and the applicable flood deductible under this policy. Insurance maintained through the National Flood Insurance Program shall be considered Underlying Insurance.

D. For the Peril of Earthquake:

If direct physical loss or direct physical damage by fire, explosion, sprinkler leakage or water damage results, such resulting loss or damage, not otherwise excluded herein, shall not be subject to the following deductibles. Instead the deductible specified for the cause of such resulting loss or damage shall apply.

1. For Locations in the state of California, Japan and Turkey:

5% of the Property Damage values last reported of Buildings and/or Personal Property affected.

5% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

2. For Locations in Hawaii (excluding the Island of Hawaii) Alaska, Mexico, Chile, Costa Rica, Puerto Rico, El Salvador, Ethiopia, Greece, Israel and Italy and Newly Added/Acquired Locations as stipulated in Appendix F:

3% of the Property Damage values last reported of Buildings and/or Personal Property affected.

3% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues

3. For Locations in the New Madrid Seismic zone, Pacific Northwest Seismic zone (per Appendix A), the Island of Hawaii:

1% of the Property Damage values last reported of Buildings and/or Personal Property affected.

1% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 250,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

4. All other locations \$100,000 per occurrence.

- E. For the Peril of Named Windstorm, including FLOOD resulting from a Named Windstorm and storm surge:

1. For Puerto Rico, Dominican Republic, USVI, Florida locations per Appendix D, and Newly Added/Acquired Locations per Appendix F:

5% of the Property Damage values last reported of Buildings and/or Personal Property affected.

5% of full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 1,000,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

2. For locations in Jamaica, St. Kitts & Nevis, Cancun Mexico, Puerto Vallarta Mexico, and Tier 1 as described in Appendix B, except Florida locations noted in Appendix D above:

3% of the Property Damage values last reported of Buildings and/or Personal Property affected.

3% of full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 250,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

3. For locations in Tier 2 counties as described in Appendix B:

2% of the Property Damage values last reported of Buildings and/or Personal Property affected.

2% of full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.


The above deductibles are subject to a minimum of \$ 250,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

4. For locations in Aruba, Barbados, Hawaii, Costa Rica, Thailand, and Trinidad and Tobago and specific locations listed in Appendix C:

1% of the Property Damage values last reported of Buildings and/or Personal Property affected.

1% of the full 12 month Time Element values that would have been earned in the 12 month period following the OCCURRENCE by use of the facilities at the Location where the direct physical damage occurred and all other Locations where Time Element loss ensues.

The above deductibles are subject to a minimum of \$ 250,000 combined for Property Damage and Time Element per OCCURRENCE – regardless of the number of Buildings involved.

5. All other locations \$100,000 per occurrence.
- F. \$100,000 per OCCURRENCE combined as respects PROTECTION AND PRESERVATION OF PROPERTY and WALKED GUESTS as stipulated in PROPERTY DAMAGE SECTION B Paragraph 4.W and TIME ELEMENT SECTION C, Paragraph L 2), respectively.
- G. \$100,000 per LOCATION per OCCURRENCE as respects CANCELLATION OF BOOKINGS.
- H. 

Definition of Named Windstorm:

Named Windstorm shall mean a storm or weather condition that:

1. has sustained wind speeds of at least 74 miles per hour;
and
2. has been declared by the U.S. National Weather Service or foreign equivalent to be a hurricane, typhoon, tropical storm or cyclone.

Such storm or weather condition shall be considered to be a Named Windstorm:

- (i) during the period of time that conditions 1. and 2. above are met; and
- (ii) during the 72 hours immediately preceding the time when conditions 1. and 2. above are first met; and
- (iii) during the 72 hours immediately following the time when such storm or weather condition has been downgraded, meaning that the storm or weather conditions no longer has sustained wind speeds of at least 74 miles per hour and the storm or weather condition is no longer considered by the U.S. National Weather Service to be a hurricane, typhoon, tropical storm, or cyclone.

15. EXCESS CLAUSE APPLICABLE TO EXCESS POLICIES

- A. In determining the amount of any loss, damage, or expense for which this policy is excess, the total loss for all coverages caused by any combination of perils, one or more of which is insured against under the primary policy, shall be used even though all such perils or coverages are not insured against under this excess policy.
- (i) Any recoveries made under the primary policy shall be considered as first applying to those perils and/or property and/or coverages not insured against by this policy. Upon exhaustion of the primary policy limits, this policy shall apply in excess of the

amount attributable to the primary policy as respects those perils and/or coverages and/or property insured hereunder subject to the limit of this policy.

- (ii) If there is any other excess insurance covering the perils and/or property and/or coverages insured against in the primary policy, but not covered by this policy, this insurance shall then allocate any loss recoveries made under the primary policy in the same proportion as the amount of loss involving the property and/or coverages insured against by this policy bears to the combined total loss. Upon exhaustion of the primary policy limits, this policy shall apply in excess of the amount attributed to the primary policy as respects those perils and/or property and/or coverages covered hereunder subject to the limit of this policy.
 - (iii) Paragraph ii above shall not apply, however, when the amount of loss attributed to the perils insured under the primary policy, but not covered under this policy, exceed the total amount of insurance provided by the primary and excess coverages with respect to said perils. In this situation any recoveries made under the primary policy shall first apply to those perils not insured against by this policy. Upon exhaustion of the primary policy limits, this policy shall apply in excess of the amount attributed to the primary policy as respects those perils covered hereunder subject to the limit of this policy.
- B. In the event the annual aggregate limits provided for Flood and/or Earth Movement in any underlying insurance are diminished or exhausted in any one policy year, the coverage provided under this policy shall respond as excess of the remaining limits.

In such event, the applicable amount of the deductible provision of the primary policy shall apply to the combination of all policies.

PROPERTY DAMAGE - SECTION B

1. PROPERTY INSURED

This Policy insures the following property, unless otherwise excluded elsewhere in this Policy, located at an Insured Location or within 1,000 feet thereof, to the extent of the interest of the Insured in such property.

- A. Real Property, including new buildings and additions under construction at an Insured Location, in which the Insured has an insurable interest, including where the insured is under legal or contractual obligation to keep insured for direct physical loss or damage.
- B. Personal Property:
 - 1) owned by the Insured, including the Insured's interest as a tenant in improvements and betterments. In the event of direct physical loss or damage, the Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.
 - 2) of officers and employees of the Insured.
 - 3) of others in the Insured's custody to the extent the Insured is under legal or contractual obligation prior to loss to keep insured for direct physical loss or damage insured by this Policy.
 - 4) of others in the Insured's custody to the extent of the Insured's legal liability for direct physical loss or damage as insured against to Personal Property. The Company will defend that portion of any suit against the Insured that alleges such liability and seeks damages for such insured direct physical loss or damage. The Company may, without prejudice, investigate, negotiate and settle any claim or suit as the Company deems expedient.
 - 5) of others in the Insured's custody, to the extent the Insured is under obligation to keep insured for physical loss or damage insured under this Policy, not at a Location while anywhere within this Policy's TERRITORY, including while in transit.
- C. Guest Property
 - 1) This policy covers Personal Property of Guests, not otherwise excluded by this policy, belonging to a registered hotel guest(s) while on the premises of any insured location under this policy.

This Policy also insures the interest of contractors and subcontractors in insured property during construction at an Insured Location or within 1,000 feet thereof, to the extent of the Insured's legal liability for insured direct physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this Policy.

2. PROPERTY EXCLUDED

This Policy excludes:

- A. currency, money, precious metal in bullion form, notes, or securities.
- B. land, water or any other substance in or on land; except this exclusion does not apply to:
 - 1) landscaping improvements consisting of landscape gardening, roadways and pavements, but not including any fill or land beneath such property.
 - 2) water that is contained within any enclosed tank, piping system or any other processing equipment.
- C. animals, unless contained within an enclosure, cage, or tank and as a result of physical damage not otherwise excluded; standing timber, growing crops.
- D. watercraft greater than twenty (20) feet in length while at an insured location, or aircraft, except when unfueled and manufactured by the Insured.
- E. vehicles of officers and employees of the Insured or vehicles otherwise insured for physical loss or damage.
- F. underground mines or mine shafts or caverns or any property within such mine, shaft or cavern.
- G. dams and dikes; unless part of landscaping improvements.
- H. property in transit, except as otherwise provided by this Policy.
- I. property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers except as provided by the DEFERRED PAYMENTS coverage of this Policy.
- J. Electronic data, programs and software, except when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured.
- K. Contraband or property in the course of illegal transportation or trade.
- L. Losses arising from the peril of Earthquake for the Anaheim Marriott.
- M. Satellites and Spacecraft after time of launch.
- N. Property damage to transmission and distribution lines situated beyond 1,000 feet of the described premises.

3. PERILS INSURED AGAINST

This Policy covers property, as described in this Policy, against all risks of direct physical loss or damage, except as hereinafter excluded, while located as described in this Policy occurring during the policy period.

4. ADDITIONAL COVERAGES

This Policy includes the following Additional Coverages for direct physical loss or damage insured by this Policy.

These Additional Coverages:

- 1) are subject to the applicable limit of liability;
 - 2) will not increase the Policy limit of liability; and
 - 3) are subject to the Policy provisions, including applicable exclusions and deductibles,
- all as shown in this section and elsewhere in this Policy.

A. ACCOUNTS RECEIVABLE

This Policy covers any shortage in the collection of accounts receivable, resulting from insured direct physical loss or damage to accounts receivable records, including accounts receivable records stored as electronic data, while anywhere within this Policy's TERRITORY, including while in transit. The Company will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the recovery.

- 1) In the event of loss to accounts receivable records, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
- 2) The Insured agrees to use any suitable property or service:
 - a) owned or controlled by the Insured; or
 - b) obtainable from other sources,in reducing the loss under this Additional Coverage.
- 3) This Policy covers any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- 4) If it is possible to reconstruct accounts receivable records so that no shortage is sustained, the Company will be liable only for the reasonable and necessary cost

incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance.

- 5) ACCOUNTS RECEIVABLE Exclusions: The following exclusions are in addition to the EXCLUSIONS clause of this section:

This Additional Coverage does not insure against shortage resulting from:

- a) bookkeeping, accounting or billing errors or omissions; or
- b) (i) alteration, falsification, manipulation; or

- (ii) concealment, destruction or disposal,

of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

- 6) The settlement of loss will be made within 90 days from the date of direct physical loss or damage. All amounts recovered by the Insured on outstanding accounts receivable on the date of loss will belong and be paid to the Company up to the amount of loss paid by the Company. All recoveries exceeding the amount paid will belong to the Insured.
- 7) When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of loss, the amount shall be computed as follows:
- a. The monthly average of accounts receivable during the last available twelve (12) months, together with collection expenses in excess of normal collection costs and made necessary because of loss or damage, and reasonable expenses incurred in reestablishing records of accounts receivable following loss or damage, shall be adjusted in accordance with the percentage increase or decrease in the twelve (12) months average of monthly gross revenues which may have occurred in the interim.
 - b. The monthly amount of accounts receivable as established above shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred. Consideration will also be given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

B. AUTOMATIC COVERAGE

This Policy covers insured property at any Location rented, leased or purchased by the Insured or where the Insured is under legal or contractual obligation to keep insured for direct physical loss or damage after the inception date of this Policy. This coverage applies from the date of rental, lease or purchase.

This Additional Coverage does not apply to property insured in whole or in part by any other insurance policy, to the extent covered by such other insurance policy.

This coverage will apply until whichever of the following occurs first:

- 1) The Location is bound by the Company.
- 2) Agreement is reached that the Location will not be insured under this Policy.
- 3) The Time Limit shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section has been reached. The Time Limit begins on the date of rental, lease or purchase or when the insured becomes legally or contractually obligated to keep insured for direct physical loss or damage.

C. BRANDS AND LABELS

If branded or labeled property insured by this Policy is physically damaged and the Company elects to take all or any part of that property, the Insured may at the Company's expense:

- 1) stamp "salvage" on the property or its containers; or
- 2) remove or obliterate the brands or labels,

In either event, the Insured must relabel such property or its containers to be in compliance with any applicable law.

D. COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION

This Policy covers the deficiency in the amount of loss payable under the Insured's locally written admitted primary and/or underlying policy(ies), if any, and its renewals, issued by the Company or its representatives, solely as the result of:

- 1) the application of a coinsurance (or average) clause; or
- 2) official government devaluation of the currency in which the local policy is written,

for direct physical loss or damage of the type insured under such local policy(ies) to property of the type insured under this Policy and not otherwise excluded by this Policy.

The Insured agrees to adjust the Policy values as a result of such devaluation within 30 days after the date of the currency's devaluation.

There is no liability under the terms of this coverage if the Insured is unable to recover any loss under such local policy(ies), and its renewals, if such inability is the result of intentional underinsurance by the Insured.

E. CONSEQUENTIAL REDUCTION IN VALUE

This policy covers the reduction in value or cost to replace undamaged insured articles that are part of pairs or sets, including components or parts of similar inventory-type property and including furnishings, fixtures and equipment of a uniform design scheme or merchandise usually sold by lots, sizes, color ranges or other classifications, when such reduction in value, replacement or repair results from physical loss, damage or destruction of other insured articles, components or parts of such property including furnishings, fixtures, or equipment of a uniform design scheme by a peril insured by this Policy.

In the event of such physical loss, damage or destruction, the measure of recovery for such articles shall be, at the Insured's option:

- a. the reduction in value of undamaged insured components or parts of property resulting from physical loss or damage Insured by this Policy to other insured components or parts of such property; or
- b. in the event that more than 75% of the furnishings, fixtures or equipment within a single hotel are damaged or destroyed, the full replacement value of the damaged and undamaged furnishings, fixtures and equipment to maintain a uniform design scheme throughout the hotel.

F. CONTROL OF DAMAGED PROPERTY

This Policy gives control of physically damaged covered property consisting of Personal Property of the Insured as follows:

- 1) The Insured will have full rights to the possession and control of damaged property in the event of insured direct physical damage to such property provided proper testing is done to show which property is physically damaged.
- 2) The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- 3) Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- 4) Any salvage proceeds received will go to the:
 - a) Company at the time of loss settlement; or
 - b) Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.
- 5) The Insured will allow the Company any salvage which is obtained on any sale or other disposition of such damaged property.

G. DEBRIS REMOVAL

This Policy covers the reasonable and necessary costs incurred to remove debris from an Insured Location and of recycling debris that remains as a result of direct physical loss or damage insured by this Policy, including the expense of cleaning, sorting, separating, segregating and transporting such debris to recycling centers.

Except as provided under the Land and Water Contaminant or Pollutant Cleanup, Removal and Disposal clause of this policy, this Additional Coverage does not cover the costs of removal of:

- 1) contaminated uninsured property; or
- 2) the contaminant in or on uninsured property,

whether or not the contamination results from insured direct physical loss or damage. Contamination includes, but is not limited to, the presence of pollution or hazardous material such as Asbestos.

H. DECONTAMINATION COSTS

If insured property is contaminated as a result of direct physical damage insured by this Policy and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, including Asbestos, then this Policy covers, as a result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. Additional Coverage applies only to that part of insured property so contaminated as a result of insured physical damage.

I. DEFERRED PAYMENTS

This Policy covers insured direct physical loss or damage to Personal Property of the type insured sold by the Insured under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under deferred payment plans, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this Policy for loss:

- 1) pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the Insured.
- 2) from theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- 3) to the extent the buyer continues payments.

- 4) not within the TERRITORY of this Policy.

J. DEMOLITION AND INCREASED COST OF CONSTRUCTION

- 1) This Policy covers the reasonable and necessary costs incurred, described in item 3 below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at an Insured Location, provided:
 - a) such law or ordinance is in force on the date of insured direct physical loss or damage; and
 - b) its enforcement is a result of such insured direct physical loss or damage.
- 2) This Additional Coverage does not cover loss due to any law or ordinance with which the Insured was required to comply had the loss not occurred.
- 3) This Additional Coverage, as respects the property insured in item 1 above, covers:
 - a) the cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and
 - b) the cost:
 - a) to demolish the physically undamaged portion of such property insured; and
 - b) to rebuild it with materials and in a manner to satisfy such law or ordinance

to the extent that such costs result when the demolition of the physically damaged insured property is required to satisfy such law or ordinance.
- 4) This Additional Coverage excludes any costs incurred as a result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of pollution or hazardous material such as Asbestos.
- 5) The Company's maximum liability for this Additional Coverage at each Insured Location in any OCCURRENCE will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured in item 1 above plus the lesser of:
 - a) the reasonable and necessary actual cost incurred, excluding the cost of land, in rebuilding on another site; or
 - b) the cost of rebuilding on the same site.

K. DIFFERENCE IN CONDITIONS

[illegible]

L. EARTH MOVEMENT

This Policy covers direct physical loss or damage caused by or resulting from Earth Movement.

This Additional Coverage does not apply to loss or damage caused by or resulting from flood; rising waters; waves; tide or tidal water; the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; surface water or sewer back-up resulting from any of the foregoing; all regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- 1) References and Application. The following term(s) wherever used in this Policy means:

- a) Earth Movement:

Any natural or man-made earth movement including, but not limited to earthquake, landslide or subsidence, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, direct physical damage by fire, explosion or sprinkler leakage or water damage resulting from Earth Movement will not be considered to be loss by Earth

Movement within the terms and conditions of this Policy. All earth movements within a continuous 72 hour period will be considered a single Earth Movement.

M. ERRORS AND OMISSIONS

If direct physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

- 1) in the description of where insured property is physically located;
- 2) to include any Location:
 - a) owned, rented or leased by the Insured on the effective date of this Policy; or
 - b) purchased, rented or leased by the Insured during the term of this Policy; or
 - c) where the insured is or becomes legally or contractually obligated to keep insured for direct physical loss or damage on the effective date of this policy including the term of this policy.
- 3) that results in cancellation of the property insured under this Policy;

this Policy covers such direct physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the Insured to the Company when discovered and corrected.

N. EXPEDITING COSTS

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.

This Additional Coverage does not cover costs:

- 1) recoverable elsewhere in this Policy; or
- 2) of permanent repair or replacement of damaged property.

O. FINE ARTS

This Policy covers insured direct physical loss or damage to Fine Arts articles while anywhere within this Policy's TERRITORY, including while in transit.

- 1) This Additional Coverage excludes loss or damage if the Fine Arts cannot be replaced with other of like kind and quality, unless it is specifically declared to the Company.

- 2) FINE ARTS Exclusion: The exclusions in the EXCLUSIONS clause of this section do not apply to FINE ARTS coverage except for A1, A2, A6, B1, B2, B3a, and B4. In addition, as respects FINE ARTS, the following exclusions apply:

This Policy does not insure against:

- a) deterioration, wear and tear or inherent vice.
 - b) loss or damage from any repairing, restoration or retouching process.
- 3) References and Application. The following term(s) wherever used in this Policy means:

- a) Fine Arts:

Paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.

P. FLOOD

This Policy covers direct physical loss or damage caused by or resulting from Flood.

- 1) References and Application. The following term(s) wherever used in this Policy means:

- a) Flood:

Flood; rising waters; waves; tsunamis; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of natural or manmade bodies of water ; or the spray therefrom; or sewer backup resulting from any of the foregoing; regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, direct physical damage by fire, explosion or sprinkler leakage resulting from Flood is not considered to be loss by Flood within the terms and conditions of this Policy. Storm surge and Flood from Named Windstorm are not considered to be loss by Flood under this policy.

Q. LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or pollutants from uninsured property consisting of land, water or any other substance in or on land at the Insured Location if the release, discharge or dispersal of contaminants or pollutants is a result of insured direct physical loss or damage to insured property.

This Policy does not cover the cost to cleanup, remove and dispose of contaminants or pollutants from such property:

- 1) at any location insured for Personal Property only.
- 2) at any property insured under AUTOMATIC COVERAGE, ERRORS AND OMISSIONS or Miscellaneous Unnamed Location coverage provided by this Policy.
- 3) when the Insured fails to give written notice of loss to the Company within 180 days after inception of the loss.

R. LANDSCAPING IMPROVEMENTS

- 1) This policy covers landscaping improvements
- 2) This policy does not cover:
 - a) sand, except golf course sand traps;
 - b) beach;
 - c) loss or damage caused by fungus and/or decay;
 - d) loss or damage caused by sickness and/or any other quality in the landscaping that causes it to damage or destroy itself.

S. NEIGHBOUR'S RECOURSE AND TENANT'S LIABILITY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

T. NON-ADMITTED INCREASED TAX LIABILITY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

U. PROFESSIONAL FEES

This Policy covers the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants, architects, auditors, engineers, or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Company resulting from insured loss payable under this Policy for which the Company has accepted liability.

This Additional Coverage will not include the fees and costs of attorneys, public adjusters, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor the fees and costs of loss consultants who provide consultation on coverage or negotiate claims.

V. PROTECTION AND PRESERVATION OF PROPERTY

This Policy covers:

- 1) reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property; provided such actions are necessary due to actual, or to prevent immediately imminent, insured direct physical loss or damage to such insured property.
- 2) reasonable and necessary:
 - a) fire department and/or fire fighting charges imposed as a result of responding to a fire in, on or exposing the insured property.
 - b) costs incurred of restoring and recharging fire protection systems following an insured loss.
 - c) costs incurred for the water used for fighting a fire in, on or exposing the insured property.
 - d) Costs incurred to prevent or mitigate damage from a Named Windstorm, however, only if a Named Windstorm is forecast by the U.S. National Weather Service to impact an area that is within 100 statute miles of an Insured Location and within 72 hours of Named Windstorm making landfall. These additional costs shall be subject to the deductible stipulated in Paragraph 14.F of the DECLARATIONS unless physical loss or damage occurs in which case the deductible provisions of the policy will apply.

With the exception of paragraph d) above, this Additional Coverage is subject to the deductible provisions that would have applied had the direct physical loss or damage occurred.

W. SERVICE INTERRUPTION PROPERTY DAMAGE

- 1) This Policy covers insured direct physical loss or damage to insured property at an Insured Location when such direct physical loss or damage results from the interruption of incoming services including but not limited to electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service or from the lack of incoming or outgoing telecommunications service all by reason of direct physical loss or damage of the type insured against to real or personal property of the type covered to the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.
- 2) This Additional Coverage will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.

- 3) In addition, as respects SERVICE INTERRUPTION coverage the following exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) the interruption of usable voice, data or video service as a result of an accidental OCCURRENCE of physical damage to a satellite.

- 4) Additional General Provisions:

- a) The Insured will immediately notify the suppliers of services of any interruption of such services.
- b) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

- 5) References and Application. The following term(s) means:

- a) Period of Service Interruption:

The period starting with the time when an interruption of specific services occurs; and ending when with due diligence and dispatch the insured's normal business operations are fully restored.

X. TAX TREATMENT OF PROFITS

This Policy is extended to cover the increased tax liability from an insured loss at an Insured Location if the tax treatment of:

- 1) the profit portion of a loss payment under this Policy involving finished stock manufactured by the Insured; and/or
- 2) the profit portion of a TIME ELEMENT loss payment under this Policy;

is greater than the tax treatment of profits that would have been incurred had no loss occurred.

Y. TEMPORARY REMOVAL OF PROPERTY

- 1) When insured property is removed from an Insured Location for the purpose of being repaired or serviced or in order to avoid threatened direct physical loss or damage of the type insured by this Policy, this Policy covers such property:
- a) while at the location to which such property has been moved; and

- b) for direct physical loss or damage as provided at the Insured Location from which such property was removed.
- 2) This Additional Coverage does not apply to property:
- a) insured, in whole or in part, elsewhere in this Policy.
 - b) insured, in whole or in part, by any other insurance policy.
 - c) removed for normal storage, processing or preparation for sale or delivery.

Z. TRANSIT

- 1) This Policy covers the following Personal Property, except as excluded by this Policy, while in transit within the TERRITORY of this Policy:
- a) owned by the Insured.
 - b) shipped to customers under F.O.B., C & F or similar terms. The Insured's contingent interest in such shipments is admitted.
 - c) of others in the actual or constructive custody of the Insured to the extent of the Insured's interest or legal liability.
 - d) of others sold by the Insured, that the Insured has agreed prior to the loss to insure during course of delivery.
- 2) This Additional Coverage excludes:
- a) samples in the custody of salespeople or selling agents.
 - b) property insured under import or export ocean marine insurance.
 - c) waterborne shipments, unless:
 - (i) by inland water; or
 - (ii) by roll-on/roll-off ferries operating between European ports; or
 - (iii) by coastal shipments.
 - d) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
 - e) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.
 - f) any transporting vehicle.
 - g) property shipped between continents, except by land or air between Europe and Asia.

3) Coverage Attachment and Duration:

- a) This Additional Coverage covers from the time the property leaves the original point of shipment for transit. It then covers continuously in the due course of transit:
 - (i) within the continent in which the shipment commences until the property arrives at the destination within such continent; or
 - (ii) between Europe and Asia, for land or air shipments only, from when the shipment commences until the property arrives at the destination.
- b) However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

4) This Additional Coverage:

- a) covers general average and salvage charges on shipments covered while waterborne.
- b) insures physical loss or damage caused by or resulting from:
 - (i) unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.
 - (ii) improper parties having gained possession of property through fraud or deceit.

5) The exclusions in the EXCLUSIONS clause of this section do not apply to TRANSPORTATION coverage except for A1 through A4, B1 through B4, C1, C3, C5, C6, D1 through D3.

6) Additional General Provisions:

- a) This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or bailee.
- b) The Insured has permission, without prejudicing this insurance, to accept:
 - (i) ordinary bills of lading used by carriers;
 - (ii) released bills of lading;
 - (iii) undervalued bills of lading; and
 - (iv) shipping or messenger receipts.

- c) The Insured may waive subrogation prior to loss against railroads under side track agreements

Except as otherwise stated, the Insured will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

AA. VALUABLE PAPERS AND RECORDS

This Policy covers insured direct physical loss or damage to VALUABLE PAPERS AND RECORDS while anywhere within this Policy's TERRITORY, including while in transit.

- 1) This Additional Coverage excludes loss or damage to:
 - a) property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the Company.
 - b) currency, money or securities.
 - c) property held as samples or for sale or for delivery after sale.
- 2) VALUABLE PAPERS AND RECORDS Exclusions: The exclusions in the EXCLUSIONS clause of this section do not apply to VALUABLE PAPERS AND RECORDS coverage except for A1, A2, A6, B1, B2, B3a and B4. In addition, as respects VALUABLE PAPERS AND RECORDS the following exclusions apply:

This Policy does not insure:

- a) errors or omissions in processing, or copying; all unless direct physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
 - b) deterioration, inherent vice, vermin or wear and tear; all unless direct physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
 - c) Against loss resulting from unauthorized instructions to transfer property to any person or to any place.
 - d) Against loss resulting from voluntary parting with any property by the Insured or any associate, proprietor, partner, director, trustee, officer, employee or agent of any Insured if induced to do so by any fraudulent scheme, trick, device or false pretense.
- 3) References and Application. The following term(s) wherever used in this Policy means:
 - a) Valuable Papers and Records:

Written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, all of which must be of value to the Insured.

BB. DOWNZONING PROPERTY DAMAGE

This policy is extended to cover the equivalent of the cost to repair, rebuild, or replace Real Property with new materials of like size, kind and quality, any real property which must be demolished and may not be rebuilt or cannot be rebuilt with property of like kind and quality, height, area, and/or occupancy due to the enforcement of any law, ordinance, governmental directive, or standard.

5. EXCLUSIONS

The following exclusions apply unless specifically stated elsewhere in this Policy:

A. This Policy excludes:

- 1) indirect or remote loss or damage.
- 2) interruption of business, except to the extent provided by this Policy.
- 3) loss of market or loss of use.
- 4) loss or damage or deterioration arising from any delay.
- 5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
- 6) loss from enforcement of any law or ordinance:
 - a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b) requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DECONTAMINATION COSTS, DEMOLITION AND INCREASED COST OF CONSTRUCTION and DOWNZONING PROPERTY DAMAGE coverages of this section of this Policy.

B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) nuclear reaction or nuclear radiation or radioactive contamination. However:
 - a) if direct physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.

- b) this Policy does insure direct physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured Location, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured Location.
- 2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
 - (i) government or sovereign power (de jure or de facto);
 - (ii) military, naval or air force; or
 - (iii) agent or authority of any party specified in i or ii above.
- b) discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.
- d) seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
- e) risks of contraband, or illegal transportation or trade.
- 3) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
 - a) by an Insured or any proprietor, partner, director, trustee, officer, associate, agent or employee of an Insured; or
 - b) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an Insured to do anything in connection with property insured under this Policy.

This Policy does insure acts of insured direct physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured. In no event does this Policy cover loss by theft by any individual specified in a or b above.

- 4) lack of the following services:
 - a) incoming electricity, fuel, water, gas, steam, refrigerant;

- b) outgoing sewerage;
- c) incoming or outgoing voice, data or video,

all when caused by an OCCURRENCE off the Insured location, except as provided in SERVICE INTERRUPTION in the PROPERTY DAMAGE or TIME ELEMENT section of this Policy. But, if the lack of such a service directly causes direct physical damage insured by this Policy on the Insured Location, then only that resulting damage is insured.

C. This Policy excludes the following, but, if direct physical damage not excluded by this Policy results, then only that resulting damage is insured:

- 1) faulty workmanship, material, construction or design from any cause.
- 2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
- 3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
- 4) normal settling, cracking, shrinking, bulging of:
 - a) foundations (including any pedestal, pad, platform or other property supporting machinery).
 - b) floors.
 - c) pavements.
 - d) walls.
 - e) ceilings.
 - f) roofs.
- 5) a) changes of temperature damage (except to machinery or equipment); or
b) changes in relative humidity damage,
all whether atmospheric or not.
- 6) insect, animal or vermin damage, however this exclusion does not apply to cost of bed bug elimination services, treating bed bug-infested Real or Personal Property,, or the replacement of Real or Personal Property that has been infested by bed bugs. The most this policy will pay in any one policy year for the elimination, treatment or replacement of Real or Personal Property that has been infested by bed bugs is \$1,000,000.

- D. This Policy excludes the following unless directly resulting from other direct physical damage not excluded by this Policy:
- 1) contamination including but not limited to the presence of pollution or hazardous material.
 - 2) shrinkage.
 - 3) changes in color, flavor, texture or finish.
 - 4) mold, wet or dry rot.

TIME ELEMENT - SECTION C

1. LOSS INSURED

- A. This Policy insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from direct physical loss or damage of the type insured by this Policy:
- 1) to property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the TIME ELEMENT COVERAGES below;
 - 2) used by the Insured, or for which the Insured has contracted use;
 - 3) located at an Insured Location; or
 - 4) while in transit, as provided by this Policy, and
 - 5) during the Periods of Liability described in this section.
- B. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:
- 1) the use of any property or service owned or controlled by the Insured;
 - 2) the use of any property or service obtainable from other sources;
 - 3) working extra time or overtime; or
 - 4) the use of inventory,
- all whether at an Insured Location or at any other location.
- The Time Element loss sustained by each financially independent Insured under this Policy shall be determined based on the separate operating results of each such separate financially independent Insured.
- C. This Policy covers expenses reasonably and necessarily incurred by the Insured to reduce the loss otherwise payable under this section of this Policy. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- D. Except as respects LEASEHOLD INTEREST, in determining the amount of loss payable, the Company will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY.

2. TIME ELEMENT COVERAGES

A. BUSINESS INTERRUPTION

1) Measurement of Loss:

a) The recoverable BUSINESS INTERRUPTION loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:

(i) Net Profit, before deducting income taxes, which is not earned as a direct result of the interruption of production or suspension of business operations or services; and

(ii) Fixed Charges, including:

(a) administrative expenses, interest on fixed indebtedness, advertising, taxes other than income taxes, insurance;

(b) salaries or wages of officers and employees whose services must necessarily be continued or who are employed under contracts guaranteeing annual compensation;

(c) vacation, holiday and sick leave pay;

(d) expense of heat, light, and power, selling expenses of the plant and branch stores when chargeable to the plant; and

(e) any other item that contributes to the Insured's overhead expense as a whole,

all to the extent that these charges continue following the loss and would have been earned had no such interruption happened.

(iii) ORDINARY PAYROLL , including taxes and charges dependent on the payment of wages:

a) only to the extent that such payroll continues following the loss and would have been earned had no such interruption happened.

However, if an Insured reduces the daily loss payable under Ordinary Payroll, either by:

a) providing gainful employment for, or

b) paying less than the normal salary rate to,

all or part of its employees, the number of consecutive days of Ordinary Payroll may be extended. However, this provision will not increase the total

liability of this Company beyond the amount it would have been liable for Ordinary Payroll costs without this provision. Ordinary Payroll does not cover any portion of salaries or wages included in Net Profit or Fixed Charges.

References and applications. The following term means:

"ORDINARY PAYROLL" is defined to be the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other important employees as determined by the Insured.

- b) In determining the indemnity payable as the Actual Loss Sustained, the Company will consider the continuation of only those normal charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.
- c) If the Insured would have operated at a deficit had no interruption of production or suspension of business operations or services happened, the extent that Fixed Charges and Ordinary Payroll would have been earned will be determined:
 - (i) For Fixed Charges, by subtracting the operating deficit from the Fixed Charges that need to continue.
 - (ii) For Ordinary Payroll, by subtracting the excess, if any, of the operating deficit over the fixed charges that need to continue from such payroll.
- d) There is recovery hereunder but only to the extent that the Insured is:
 - (i) wholly or partially prevented from producing goods or continuing business operations or services;
 - (ii) unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
 - (iii) unable to continue such operations or services during the PERIOD OF LIABILITY; and
 - (iv) able to demonstrate a loss of sales for the operations, services or production prevented.

B. EXTRA EXPENSE

1) Measurement of Loss:

The recoverable EXTRA EXPENSE loss will be the reasonable and necessary extra costs incurred by the Insured of the following during the PERIOD OF LIABILITY:

- a) Extra expenses to temporarily continue as nearly normal as practicable the conduct of the Insured's business; and
- b) Extra costs of temporarily using property or facilities of the Insured or others,

less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

- 2) EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following are also excluded:

- a) Any loss of income.
- b) Costs that normally would have been incurred in conducting the business during the same period had no direct physical loss or damage occurred.
- c) Cost of permanent repair or replacement of property that has been damaged or destroyed.
- d) Any expense recoverable elsewhere in this Policy.

- 3) References and Application. The following term(s) means:

- a) Normal:

The condition that would have existed had no direct physical loss or damage occurred.

C. LEASEHOLD INTEREST

- 1) Measurement of Loss:

The recoverable LEASEHOLD INTEREST incurred by the Insured of the following:

- a) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
- b) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the Lease Interest for the first three months following the loss; and the Net Lease Interest for the remaining unexpired term of the lease.

- 2) References and Application. The following term(s) means:

- a) Lease Interest:

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the Insured's lease.

b) Net Lease Interest:

That sum which placed at 6% interest rate compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

3) LEASEHOLD INTEREST Exclusions: As respects LEASEHOLD INTEREST, TIME ELEMENT EXCLUSIONS A, B, and C do not apply and the following applies instead:

This Policy does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured that constitutes a default under the lease.

In addition, there is no coverage for the Insured's loss of LEASEHOLD INTEREST directly resulting from direct physical loss or damage to Personal Property.

D. RENTAL INSURANCE

1) Measurement of Loss:

The recoverable RENTAL INSURANCE loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:

- a) The fair rental value of any portion of the property occupied by the Insured;
- b) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- c) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss,

all not to include noncontinuing charges and expenses.

2) RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS A does not apply and the following applies instead:

- A. This Policy does not insure any loss of rental income during any period in which the insured property would not have been tenantable for any reason other than an insured loss.

E. COMMISSIONS, PROFITS AND ROYALTIES

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

F. DEBT RESTRUCTURING

- 1) This Policy insures the Actual Loss Sustained by the Insured for the cost as set forth in this paragraph of Debt Restructuring when, directly resulting from direct physical loss or damage of the type insured against under this policy to real and personal property not excluded by this policy, any Lender providing a loan for the property exercises their rights as Lender to enforce any contractual term allowing them to apply the Property Insurance proceeds to pay down the loan or to renegotiate the existing loan following direct physical loss or damage to said property.
- 2) Measurement of Loss: The Companies liability under this coverage section shall be determined as:
 - a. The application and closing costs of restructuring the debt including but not limited to title search, filing of deeds, pre-paid points, application costs and other pre-paid items at closing.
 - b. Administrative costs in restructuring the debt, including Legal Expense defined as attorneys fees to renegotiate the existing loan or secure new financing, but shall not include judgements or fines rendered against the insured;
 - c. The incremental cost of interest (including accrued points) between the original loan and the restructured loan for the remaining life of the original loan, as follows:

Incremental interest expense shall be that amount arrived at based on the difference between the projected interest rate on the new loan, multiplied by the original loan balance less the original loan interest rate multiplied by the original loan balance as of the date of closing of the restructured debt. Such incremental interest cost shall be calculated for the remaining time period of the original loan.

For purposes of calculating the amount in this paragraph (c) the Restructured loan shall be based on the outstanding balance of original loan.

The Companies liability under this paragraph (c) shall be that sum which placed at 5% interest rate compounded annually would equal the incremental cost of interest for the remaining time period of the original loan.

- 3) Special Exclusion: This policy does not insure against Loss as specified herein, which, but for the occurrence of damage to or destruction of Subject Property, the Lender would have otherwise recalled the existing loan.
- 4) Definitions:
 - a: Lender is defined as the person(s) or entity (ies) granting the loan on the property to the Insured;
 - b: Loan is defined as the agreement between the Lender and the Insured relative to the property;

c: Debt Restructuring is defined as the monetary expenses incurred by the Insured for restructuring existing Loan or obtaining new Loan in replacement of the original Loan as calculated in a,b and c, above.

3. TIME ELEMENT COVERAGE EXTENSIONS

[illegible]



B. CONTINGENT TIME ELEMENT

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY:

- 1) directly resulting from direct physical loss or damage of the type insured; and
- 2) to property of the type insured,

at any locations of suppliers or customers including builders risk locations and supplier or customer locations, which provide patrons to Insured locations located within the TERRITORY of this Policy.

The term "supplier or customer" does not include any company supplying to or receiving from the Insured Location, as described elsewhere in this Policy, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

Such locations are meant to include, but not be limited to the following types of facilities:

Supplier, Laundries, Food and Beverage and other various suppliers

Patron Facilities:	Airports	Conference Centers
	Convention Centers	Sports Complexes
	Civic Centers	Stadiums
	Theme/Amusement Parks	Exhibition Halls
	Government Centers	Medical Centers/Hospitals
	Business Office Parks	Schools/Universities
	Museums	Marriott Management Services Client Location

C. EXTENDED PERIOD OF LIABILITY

Coverage described in TIME ELEMENT COVERAGE – SECTION C, including TIME ELEMENT COVERAGE and TIME ELEMENT EXTENSIONS is extended to cover the reduction in sales resulting from:

- 1) the interruption of business as covered by BUSINESS INTERRUPTION;
- 2) for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss occurred; and

- 3) commencing with the date on which the liability of the Company for loss resulting from interruption of business would terminate if this Extension had not been included herein;

EXTENDED PERIOD OF LIABILITY Exclusions: As respects EXTENDED PERIOD OF LIABILITY, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to fines or damages for breach of contract or for late or noncompletion of orders, or penalties of any nature.

This extension does not apply to CANCELLATION OF BOOKINGS and DOWNZONING TIME ELEMENT or if otherwise stipulated under the specific TIME ELEMENT EXTENSION,

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended period of liability.

Coverage under this Extension does not apply for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

D. INGRESS/EGRESS

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured due to the necessary interruption of the Insured's business due to impairment of ingress to or egress from an Insured Location, whether or not the premises or property of the Insured is damaged, provided that such impairment is a direct result of direct physical damage of the type insured by this Policy, to the kind of property not excluded by this Policy.

This Policy does not provide coverage under this Extension for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

E. CANCELLATION OF BOOKINGS

This policy is extended to cover the Actual Loss Sustained by the Insured during a Period of Liability resulting from:

- a. the cancellation of, and/or inability to accept bookings or reservations for accommodation, and/or interference with the business at any Insured Location; and/or

- b. the cancellation of, and/or inability to accept bookings or reservations, and/or interruption of, or interference with the business at any restaurant, spa, golf course, health club or other facility of the Insured at any Insured location

all as a direct result of:

1. the occurrence at the premises of murder, attempted murder, armed robbery or other violent crime, suicide, attempted suicide, death or bodily injury caused by a workplace accident, food or drink poisoning, vermin, pests, or defective sanitation system;
2. The:
 - a. outbreak of contagious and/or infectious disease as well as restrictive guidance or travel advisories placed on a region or area by Centers for Disease Control, World Health Organization, or comparable authority;
 - b. the outbreak of riot or civil commotion;
 - c. the occurrence of fire, or explosion, or windstorm, or flood, or volcanic eruption

within a radius of 5 miles of an Insured Location to the extent such Time Element loss is not otherwise covered under this Policy such as under the Civil Authority or Military Authority, Ingress/Egress, or Contingent Time Element extensions;

3. injury , illness, or the threat thereof sustained by any person arising from or traceable to foreign or injurious matter in food and drink provided on the premises of the Insured;
4. closing of the whole or part of the premises of the Insured by order of a Public Authority consequent upon the existence or threat of hazardous conditions either actual or suspected at an Insured Location to the extent such closure is not otherwise covered elsewhere under this Policy such as under Civil or Military Authority or Communicable Disease extensions.
5. The pollution by oil, chemical or other substance of any beach, waterway or river within a radius of 5 miles of the Insured Location.
6. A Mandatory Evacuation at an Insured Location.

A Mandatory Evacuation shall mean a compulsory notification of an Insured Location or portion thereof with an effective date and time ordered by a responsible civil or military authority. Such mandatory evacuation must be initiated during the Term of this Insurance.

For purposes of measurement of the Time Element loss with regards to this condition, the Period of Liability applying under subparagraph A 1) of Clause 4 of this Time Element Section C relative to this condition shall otherwise apply except that such period of liability shall commence 48 hours before the mandatory evacuation notification is given by the responsible civil or military authority.

Coverage as provided under this extension shall apply to the extent such Mandatory Evacuation is not otherwise covered elsewhere under this Policy such as under the Civil or Military Authority Extension, Walked Guests, and Guest Rebates extensions.

Reference and Application: The following term(s) mean when used in this coverage:

Period of Liability: The length of time for which loss may be claimed shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss occurred and shall include the time required to make the premises conform to the order of a competent public authority, beginning with the interruption or interference with the business and ending not later than 365 days thereafter.

F. ON PREMISES SERVICES

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from direct physical loss or damage of the type insured to the following property located within 1,000 feet of the Insured Location:

- 1) Electrical and telecommunications equipment.
- 2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines, whether overhead or underground, and/or any other services necessary to operate the Insured's business.

G. PROTECTION AND PRESERVATION OF PROPERTY – TIME ELEMENT

This Policy covers the Actual Loss Sustained incurred by the Insured in taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent imminent direct physical loss or damage insured by this Policy at such insured property.

H. RELATED REPORTED VALUES

If reported TIME ELEMENT values include:

- 1) locations used by the Insured (such as branch stores, sales outlets and other plants) but not listed on a schedule under this Policy; and
- 2) a TIME ELEMENT loss would result at such locations,
- 3) from insured direct physical loss or damage at an Insured Location,

then this Policy provides coverage for such resulting TIME ELEMENT loss in accordance with the coverage applicable at such Insured Location.

I. RESEARCH AND DEVELOPMENT

The BUSINESS INTERRUPTION coverage is extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges and ordinary payroll directly attributable to the interruption of research and development activities, that in themselves would not have produced income during the PERIOD OF LIABILITY.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be the period from the time of direct physical loss or damage of the type insured by this Policy to the time when the property could be repaired or replaced and made ready for operations, except Ordinary Payroll will not exceed the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section. Such period of time shall not be limited by the date of expiration of this Policy.

J. SERVICE INTERRUPTION TIME ELEMENT

- 1) This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the Period of Service Interruption at Insured Locations when the loss is caused by the interruption of incoming services including but not limited to electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service or from the lack of incoming or outgoing voice, data or video service all by reason of direct physical loss or damage of the type insured against to real or personal property of the type covered to the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.
- 2) This Extension will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) In addition, as respects SERVICE INTERRUPTION TIME ELEMENT coverage the following exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) the interruption of usable voice, data or video service as a result of an accidental OCCURRENCE of physical damage to a satellite.

4) Additional General Provisions:

- a) The Insured will immediately notify the suppliers of services of any interruption of such services.
- b) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

5) References and Application: The following term(s) means:

a) Period of Service Interruption:

- (i) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the Location receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.
- (ii) The Period of Service Interruption is limited to only those hours during which the Insured would or could have used service(s) if it had been available.
- (iii) The Period of Service Interruption does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

K. INTERRUPTION BY CIVIL AND MILITARY AUTHORITY

This Policy is extended to insure loss sustained by the Insured during the period of time when, as a result of physical loss or damage not otherwise excluded herein, to the kind of property not otherwise excluded herein and access to the property of the insured is impaired by order or action of civil or military authority.

L. WALKED GUESTS

- 1) This policy covers the actual expenditure incurred beyond those normally incurred by the Insured in relocating guests to another hotel during the Period of Liability directly resulting from direct physical loss or damage of the type insured against under this policy to property not excluded by this policy.
- 2) This policy also covers the actual expenditure to relocate guests as a result of a Named Windstorm that is forecast to pass within 100 statute miles of an insured location and only within 48 hours of a Named Windstorm making landfall.

M. GUEST REBATES

This policy covers any goodwill payments and/or refunds that are provided by the hotel staff to guests following direct physical loss or damage of the type insured against under this policy to property not excluded by this policy.

N. DOWNZONING TIME ELEMENT

This policy is extended to cover the (additional) TIME ELEMENT loss resulting from demolition of and/or inability to rebuild Real Property with like kind and quality, height, area, and/or occupancy due to the enforcement of any law, ordinance, governmental directive, or standard. In determining the amount of loss sustained for such demolished property under this paragraph, due consideration shall be given to the experience of the business before the date of damage or destruction and to the probable experience thereafter had no loss occurred involving said property. Coverage under this Extension does not apply for more than the number of consecutive days shown in the Limits of Liability clause of the Declarations section.

O. DELAY IN COMPLETION

This Policy covers the Actual TIME ELEMENT Loss Sustained by the Insured to the extent not insured elsewhere under the Policy and caused by direct physical loss, damage or destruction insured herein occurring during the term of this Policy to property while in the course of construction, erection, installation or assembly as described in PROPERTY DAMAGE – SECTION B which results in a DELAY IN COMPLETION of construction, erection, installation or assembly.

Reference & Application:

TIME ELEMENT includes “soft costs” which means those expenses relating to construction project(s) over and above those costs which would have been incurred, consisting principally of but not limited to: construction loan fees and interest expense, commitment fees, leasing fees and marketing expense, legal fees, architect and engineering fees, taxes, permitting insurance, accounting fees, and other project overhead expenses.

4. PERIOD OF LIABILITY

- A. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except CANCELLATION OF BOOKINGS and DOWNZONING TIME ELEMENT and as shown below, or if otherwise provided under the TIME ELEMENT COVERAGE EXTENSIONS, is as follows:

1) For building and equipment, the period:

- a) starting from the time of direct physical loss or damage of the type insured against; and
- b) ending when with due diligence and dispatch the building and equipment could be:

(i) repaired or replaced; and

(ii) made ready for operations,

under the same or equivalent physical and operating conditions that existed prior to the damage.

c) not to be limited by the expiration of this Policy.

2) For building and equipment under construction:

a) The period of time between the Anticipated Date of Completion per the construction agreement and the date on which property while in the course of construction, erection, installation and assembly is actually completed and accepted with the exercise of due diligence and dispatch. If such loss occurs during this period of time, it shall be adjusted on the basis of the Actual Loss Sustained by the Insured and consisting of the TIME ELEMENT loss provided for under this Policy. The Anticipated Date of Completion shall be modified to the extent there are delays not caused by insured physical loss, damage or destruction.

b) due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

c) Anticipated Date of Completion means the date at the time of the direct physical loss, damage or destruction on which property while in the course of construction, erection, installation, and assembly was scheduled to have been completed and accepted per the construction agreement had no insured physical loss, damage or destruction occurred.

This item does not apply to COMMISSIONS, PROFITS AND ROYALTIES.

3) For stock-in-process and mercantile stock, including finished goods not manufactured by the Insured, the time required with the exercise of due diligence and dispatch:

a) to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and

b) to replace physically damaged mercantile stock.

This item does not apply to RENTAL INSURANCE.

4) For raw materials and supplies, the period of time:

a) of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

- b) limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

5) If water:

- a) used for any manufacturing purpose, including but not limited to as a raw material or for power;
- b) stored behind dams or in reservoirs; and
- c) on any Insured Location,

is released as the result of direct physical damage of the type insured against under this Policy to such dam, reservoir or connected equipment, the Company's liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL INSURANCE.

- 6) For direct physical damage to exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL INSURANCE.

- B. The PERIOD OF LIABILITY does not include any additional time due to the Insured's inability to resume operations for any reason, including but not limited to:

- 1) making changes to equipment.
- 2) making changes to the buildings, structures, machinery or equipment except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section.
- 3) restaffing or retraining employees.

If two or more Periods of Liability apply, such periods will not be cumulative.

5. TIME ELEMENT EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure against:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
 - 1) direct physical loss or damage not insured by this Policy on or off of the Insured Location.
 - 2) planned or rescheduled shutdown.
 - 3) strikes or other work stoppage.
 - 4) any other reason other than direct physical loss or damage insured by this Policy.
- B. Any increase in loss due to:
 - 1) suspension, cancellation or lapse of any lease, contract, license or orders.
 - 2) fines or damages for breach of contract or for late or noncompletion of orders
 - 3) for penalties of any nature.
 - 4) any other consequential or remote loss.
- C. Any loss resulting from loss or damage to finished goods manufactured by the Insured, nor the time required for their reproduction.

LOSS ADJUSTMENT AND SETTLEMENT - SECTION D

1. LOSS ADJUSTMENT/PAYABLE

Loss, if any, will be adjusted with and payable to Marriott International, Inc., or as may be directed by Marriott International, Inc. Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on file with the Company or named below. Also included is any person or organization to which the Insured is legally or contractually obligated by virtue of a written contract or agreement to provide such insurance as afforded in this policy, but only to the extent of such obligation.

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

2. ASSIGNED ADJUSTER

It is agreed that at the Insured's option, the Company will use Cunningham Lindsey or McLaren Young International or another mutually agreed upon adjusting firm or their designee for the adjustment of all claims made against this policy. This assignment may be changed by mutual consent of the Insured and the Company.

3. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America, except in Canada where losses will be paid in Canadian currency, unless directed otherwise by the Insured.

In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

- A. As respects the calculation of deductibles and limits of liability, the rate of exchange published in The Wall Street Journal on the date of loss.
- B. As respects loss or damage to Real and Personal Property:
 - 1) the cost to repair or replace Real and Personal Property will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in The Wall Street Journal.
 - 2) if such property is not replaced or repaired, the conversion will be based on the rate of exchange published in The Wall Street Journal as of the date of loss.
- C. As respects TIME ELEMENT loss the conversion will be based on the average of the rate of exchange published in The Wall Street Journal on the date of loss and the rate of exchange published in The Wall Street Journal on the last day of the Period of Liability.

If The Wall Street Journal was not published on the stipulated date, the rate of exchange will be as published on the next business day.

4. VALUATION

Adjustment of the direct physical loss amount under this Policy will be computed as of the date of loss at the location of the loss, and for no more than the interest of the Insured, subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by the Insured, the regular cash selling price at the Location where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials, supplies and other merchandise not manufactured by the Insured:
 - 1) if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
 - 2) if not repaired or replaced, the Actual Cash Value.
- D. On exposed films, records, manuscripts and drawings, that are not Valuable Papers and Records, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
- E. On property covered under DEFERRED PAYMENTS, the lesser of the:
 - 1) total amount of unpaid installments less finance charges.
 - 2) Actual Cash Value of the property at the time of loss.
 - 3) cost to repair or replace with material of like size, kind and quality.
- F. On FINE ARTS articles, the lesser of:
 - 1) the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss.
 - 2) cost to replace the article.
 - 3) the value, if any, stated on a schedule on file with the Company.
 - 4) appraised value or if there is no appraisal, at the greater of the original acquisition cost or fair market value at the time of the loss.

In the event a Fine Arts article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Company will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The Insured agrees to surrender the pair or set to the Company.

H. On VALUABLE PAPER AND RECORDS, the lesser of the following:

- 1) The cost to repair or restore the item to the condition that existed immediately prior to the loss.
- 2) The cost to replace the item.
- 3) The amount designated for the item on the schedule on file with the Company.

I. On property in transit:

- 1) Property shipped to or for the account of the Insured will be valued at actual invoice to the Insured. Included in the value are accrued costs and charges legally due. Charges may include the Insured's commission as selling agent.
- 2) Property sold by the Insured and shipped to or for the purchaser's account will be valued at the Insured's selling invoice amount. Prepaid or advanced freight costs are included.
- 3) Property not under invoice will be valued:
 - a) for property of the Insured, at the valuation provisions of this Policy applying at the location from which the property is being transported; or
 - b) for other property, at the actual cash market value at the destination point on the date of OCCURRENCE,less any charges saved which would have become due and payable upon arrival at destination.

J. On all other property, the actual expense to the insured, based on the following:

- 1) The cost to repair.
- 2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
- 3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
- 4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.

- 5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- 6) The increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition.
- 7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the Insured's expense.
- 8) The Actual Cash Value if such property is:
 - a) useless to the Insured; or
 - b) not commenced to be repaired, replaced or rebuilt on the same or another site within two years from the date of loss;

The Insured may elect not to repair or replace the insured real and/or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the Insured's operations within four years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an Insured Location under this Policy. This item does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION.

References and Application. The following term(s) wherever used in this Policy means:

- a) Actual Cash Value:

The amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

5. LOSS CONDITIONS

A. REQUIREMENTS IN CASE OF LOSS

The Insured will:

- 1) give written notice to the Company of any loss.
- 2) protect the property from further loss or damage.
- 3) promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged

and undamaged property showing in detail the quantities, costs, Actual Cash Value, replacement value and amount of loss claimed.

- 4) give a signed and sworn proof of loss to the Company within 365 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state the knowledge and belief of the Insured as to:
 - a) the time and origin of the loss.
 - b) the Insured's interest and that of all others in the property.
 - c) the Actual Cash Value and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property.
 - d) any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy.
 - e) by whom and for what purpose any location insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground.
- 5) include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- 6) further, the Insured, will as often as may be reasonably required:
 - a) exhibit to any person designated by the Company all that remains of any property;
 - b) submit to examination under oath by any person designated by the Company and sign the written records of examinations; and
 - c) produce for examination at the request of the Company:
 - (i) all books of accounts, business records, bills, invoices and other vouchers; or
 - (ii) certified copies if originals are lost,

at such reasonable times and places that may be designated by the Company or its representative and permit extracts and machine copies to be made.

B. COMPANY OPTION

The Company has the option to take all or any part of damaged property at the agreed or appraised value. The Company must give notice to the Insured of its intention to do so within 30 days after receipt of proof of loss.

C. ABANDONMENT

There may be no abandonment of any property to the Company.

D. SUBROGATION

The Insured is required to cooperate in any subrogation proceedings. The Company may require from the Insured an assignment or other transfer of all rights of recovery against any party for loss to the extent of the Company's payment.

The Company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- 1) any applicable deductible; and/or
- 2) any provable uninsured loss,

bears to the entire provable loss amount.

As respects any location(s) which is or includes condominiums, the following shall apply:

Except with respect to arson and fraud, the Company agrees with the Named Insured to waive its rights of Subrogation as to any claim against:

- a) the Board of Managers, its agents and employees, and
- b) the respective unit-owners, their residence employees and agents.

Independent contractors shall not be considered agents, employees or servants of the Board of Managers or their respective unit-owners within the meaning of this waiver.

E. APPRAISAL

If the Insured and the Company fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser after:

- 1) the Insured has fully complied with all provisions of this Policy, including REQUIREMENTS IN CASE OF LOSS; and
- 2) the Company has received a signed and sworn proof of loss from the Insured.

Each will notify the other of the appraiser selected within 20 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, on the request of the Insured or the Company, the umpire will be selected by a judge of a court of record in the jurisdiction

in which the appraisal is pending. The appraisers will then appraise the amount of loss, stating separately the Actual Cash Value and replacement cost value as of the date of loss and the amount of loss, for each item of direct physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss.

The Insured and the Company will each:

- 1) pay its chosen appraiser; and
- 2) bear equally the other expenses of the appraisal and umpire.

A demand for APPRAISAL shall not relieve the Insured of its continuing obligation to comply with the terms and conditions of this Policy, including as provided under REQUIREMENTS IN CASE OF LOSS.

The Company will not be held to have waived any of its rights by any act relating to appraisal.

F. SUIT AGAINST THE COMPANY

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:

- 1) the Insured has fully complied with all the provisions of this Policy; and
- 2) legal action is started within twenty-four months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such twenty-four months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.

6. SETTLEMENT OF CLAIMS

The amount of loss, except for ACCOUNTS RECEIVABLE coverage, for which the Company may be liable will be paid within 30 days after:

- A. proof of loss as described in this Policy is received by the Company; and
- B. when a resolution of the amount of loss is made either by:
 - 1) written agreement between the Insured and the Company; or
 - 2) the filing with the Company of an award as provided in the APPRAISAL clause of this section.

7. COLLECTION FROM OTHERS

The Company will not be liable for any loss to the extent that the Insured has collected for such loss from others.

8. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring which has been ascertained to be insured loss or damage under this Policy and determined by the Company's representatives to be in excess of the applicable Policy deductible, the Company will advance mutually agreed upon partial payment(s) on the insured loss or damage, subject to the Policy's provisions and within ten (10) days of receipt of sworn Proof of Loss from the insured. To obtain said partial payments, the Insured will submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation.

9. JURISDICTION

This Policy will be governed by United States of America Law. Any disputes arising hereunder will be exclusively subject to United States of America jurisdiction.

10. ASSIGNMENT OF POLICY

Assignment of this Policy will not be valid except with the written consent of the Company.

GENERAL PROVISIONS - SECTION E

1. ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE

Additional insured interests are automatically added to this Policy as their interest may appear when named as Additional Insureds, Mortgagee and/or Loss Payee on the Certificates of Insurance on a schedule on file with the Company. Such interests become effective on the date shown in the Certificate of Insurance and will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

2. CANCELLATION/NON-RENEWAL

This Policy may be:

- A. cancelled at any time at the request of the Insured by surrendering this Policy to the Company or by giving written notice to the Company stating when such cancellation will take effect; or
- B. cancelled by the Company by giving the Insured not less than:
 - 1) 180 days' written notice of cancellation; or
 - 2) 30 days' written notice of cancellation if the Insured fails to remit, when due, payment of premium for this Policy; or
 - 3) non-renewed by the Company by giving the Insured not less than 60 days' written notice of non-renewal.

Return of any unearned premium will be calculated on the customary short rate basis if the Insured cancels and on a pro-rata basis if the Company cancels this Policy. Return of any unearned premium will be made by the Company as soon as practicable.

3. INSPECTIONS

The Company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property.

The Company's:

- A. right to make inspections;
- B. making of inspections; or
- C. analysis, advice or inspection report,

will not constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that the insured property is safe or healthful. This Company will have no liability to the Insured or any other person because of any inspection or failure to inspect.

When the Company is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. VACANCY

The Insured has permission to cease operations or remain vacant or unoccupied provided fire protection, watch and alarm services are maintained, and written notice is given to the Insurer prior to the one hundred twentieth (120th) consecutive day of cessation of operations, vacancy or unoccupancy. The Insured's building is considered vacant or unoccupied when it does not contain enough covered Property to conduct customary business operations.

5. PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS

- A. If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy will be read so as to eliminate such conflict or deemed to include such provisions for Insured Locations within such jurisdictions.
- B. The Company will provide to the Insured copies of endorsements mandated for use by the laws of provinces in Canada. The endorsements may modify this Policy with respect to any insured property located in the province in which the endorsement applies.
- C. For any insured property located in Ireland, a Stamp Duty has or will be paid to the Revenue Commissioners in accordance with the provision of Section 113 Finance Act 1990.
- D. Coverage is provided for physical damage or consequential loss to insured property in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:
 - 1) riot, civil commotion and (except in respect of damage or consequential loss by fire or explosion) strikers, locked-out workers or persons taking part in labor disturbances or malicious persons;

For the purposes of this clause:

- 1) Consequential loss will mean TIME ELEMENT.
- E. For any insured property located in Norway, this Policy insures against loss or damage to insured property resulting from Natural Catastrophe perils as designated in the Act of Natural Perils of June 16th, 1989.
- F. With respect to any insured property in South Africa, the following conditions additionally apply:

Notwithstanding anything contained herein to the contrary:

- 1) This Policy does not cover loss of or damage directly or indirectly to property related to or caused by:
 - a) civil commotion, labor disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
 - b) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - c) (i) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or siege;

(ii) insurrection, rebellion or revolution.
 - d) any act (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
 - e) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;
 - f) any attempt to perform any act referred to in clause d or e above;
 - g) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any OCCURRENCE referred to in clause a, b, c, d, e or f above.

If the Insurers allege that by reason of clauses a, b, c, d, e, f, or g of this exclusion, loss or damage is not covered by this Policy, the burden of proving the contrary will rest on the Insured.

- 2) This Policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any OCCURRENCE for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this Policy applies.

- G. In respect of any insured property in Spain and as applies to Physical Damage coverage only, this Policy does not insure against physical loss or damage caused by:
- 1) events separately insured by the Consorcio de Compensacion de Seguros, or events classified by the Public Authorities in Spain as an "extraordinary circumstance."

2) all losses where, despite being of an extraordinary and catastrophic nature, the Consorcio de Compensacion de Seguros does not acknowledge the rights of the Insured on account of the Insured's failure to comply with any of the conditions and stipulations contained in the Reglamento y Disposiciones Complementaras in force at the time of the OCCURRENCE as well as those occurring within the payment free period specified by the aforementioned authority. The Consorcio de Compensacion de Seguros will indemnify claims of an extraordinary nature, within the terms of the various laws and/or Royal Decrees and/or Regulations of Spain which govern Consorcio de Seguros.

- H. United Kingdom Terrorism Exclusion; in respect of any insured property located in the United Kingdom, this policy does not provide coverage for events to the extent that the event is certified by Her Majesty's Treasury and coverage is afforded under the provisions of the PoolRe Terrorism endorsement as issued under the local policy.

United Kingdom means England, Wales or Scotland, but not the territorial seas adjacent thereto as defined by the Territorial Sea Act of 1987.

- I. The Company will provide to the Insured copies of endorsements mandated for use by the laws of states in the United States of America. The endorsements may modify this Policy with respect to any insured property located in the state in which the endorsement applies.
- J. Sturmflut is excluded in Bundeslaender and Hansestadte (states) of Schleswig-Holstein, Niedersachsen, Mecklenburg-Vorpommern, Bremen and Hamburg, Germany.

Sturmflut means a general and temporary condition of partial or complete inundation of dry land areas caused by or resulting from the overflow of river, lake, bay, estuary or tidal waters because of the rapid accumulation of runoff of surface waters from any source or from wind driven storm surge, tidal wave, high tide, flood tide, wave wash or tsunami.

- K. France Terrorism Exclusion; in respect of any insured property located in France or in the French territories, this policy does not provide coverage against losses which fall under French Law 82-600 of July 13, 1982 and are declared a disaster pursuant to said law by the French government in the "Official Journal" of the French Republic, but only to the extent of recovery thereunder. (Conditions of payment or delays in payment shall not abrogate this exclusion). Nor against all material damage and consequential loss arising as a result of all perils indemnifiable in terms of the scope of cover granted by GAREAT."

6. MISREPRESENTATION AND FRAUD

This entire Policy will be void if, whether before or after a loss, an Insured has:

- A. willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an Insured.
- B. made any attempt to defraud the Company.

- C. made any false swearing.

7. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

- A. The Company will pay for loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
 - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) change in the title or ownership of the property.
 - 4) change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate 90 days after the Company sends to the Lender or Mortgagee written notice of cancellation, unless:
 - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender or Mortgagee, or its agent.
 - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.

- E. The Company has the right to invoke this Policy's SUSPENSION clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

The terms debtor, mortgagor or owner as used within this policy shall also include the Insured.

8. OTHER INSURANCE

- A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.
- B. In no event will this Policy apply as contributing insurance.
- C. The Insured and/or contractors at insured property during course of construction are permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.
- D. The Insured is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.
- E. In the event this Policy is deemed to contribute with other insurance, the limit of liability applicable at each Location, for purposes of such contribution with other insurers, will

be the latest amount described in this Policy or the latest Location value on file with the Company.

- F. When this Policy includes property in more than one jurisdiction, separate policies underlying this Policy may be issued by the Company in compliance with jurisdictional requirements. Such underlying policies will not be considered as additional insurance, but as duplicate insurance only.
- G. With respect to any contractual obligation of the Insured to provide property insurance to any other party, this property insurance shall apply to any loss without any contribution by the insurance of the party to whom the Insured is so obligated, but only to the extent of the Insured's contractual obligation to provide property insurance to such party.

With respect to any contractual obligation of another party to provide property insurance to any insurance hereunder, this policy shall be excess of, and not contribute with any insurance available to the other party so obligated to the Insured.

9. GROUND LESSOR INTERESTS

To the extent the Insured and Ground Lessee are contractually obligated, loss, if any, under this Policy with respects to Real Property shall be payable to any Ground Lessor of such Real Property, as their interest may appear under all present leases; and this insurance, as to the interest of the Ground Lessor therein, shall not be invalidated by the act or neglect of the Ground Lessee of such Real Property of the Insured.

10. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its' limit of liability, except claims paid will reduce any Policy Year Aggregate Limit of Liability.

11. SUSPENSION

On discovery of a dangerous condition, the Company may immediately suspend this insurance on any machine, vessel or part thereof by giving written notice to the Insured. The suspended insurance may be reinstated by the Company. Any unearned premium resulting from such suspension will be returned by the Company.

12. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.

13. OCCURRENCE

Reference to loss or damage arising out of one OCCURRENCE shall mean the sum of all loss or damage insured against, irrespective of the number of locations involved, arising out of or caused by any one disaster, loss or series of disasters, accidents or losses arising out of one event.

APPENDIX A
New Madrid and Pacific Northwest Seismic Zones

ARKANSAS	ILLINOIS	INDIANA	KENTUCKY	MISSISSIPPI	MISSOURI	TENNESSEE
Arkansas	Alexander	Gibson	Ballard	Bolivar	Bollinger	Carroll
Clay	Bond	Knox	Caldwell	Coahoma	Butler	Crockett
Cleburne	Christian	Pike	Calloway	De Soto	Cape Girardeau	Dyer
Craighead	Clark	Posey	Carlisle	Marshall	Carter	Fayette
Crittenden	Clay	Sullivan	Crittenden	Tate	Crawford	Gibson
Cross	Clinton	Vanderburgh	Fulton	Tunica	Dent	Hardeman
Fulton	Coles		Graves		Dunklin	Haywood
Greene	Crawford		Henderson		Franklin	Henry
Independenc	Cumberland		Hickman		Howell	Lake
Izard	Douglas		Livingston		Iron	Lauderdale
Jackson	Edgar		Lyon		Jefferson	Madison
Lawrence	Edwards		Marshall		Madison	Obion
Lee	Effingham		McCracken		Mississippi	Shelby
Lonoke	Fayette		Trigg		New Madrid	Tipton
Mississippi	Franklin		Union		Oregon	Weakley
Monroe	Gallatin		Webster		Pemiscot	
Phillips	Hamilton				Perry	
Poinsett	Hardin				Reynolds	
Prairie	Jackson				Ripley	
Randolph	Jasper				Saint Charles	
Saint Francis	Jefferson				Saint Francois	
Sharp	Jersey				Saint Louis	
Stone	Johnson				Saint Louis City	
White	Lawrence				Sainte Genevieve	
Woodruff	Macoupin				Scott	
	Madison				Shannon	
	Marion				Stoddard	
	Massac				Texas	
	Monroe				Washington	
	Montgomery				Wayne	
	Moultrie					
	Perry					
	Pope					
	Pulaski					
	Randolph					
	Richland					
	Saint Clair					
	Saline					
	Shelby					
	Union					
	Wabash					
	Washington					
	Wayne					
	White					
	Williamson					

Pacific Northwest Seismic Zones

WASHINGTON
Chelan
Clallam
Clark
Cowlitz
Douglas
Ferry
Grant
Grays Harbor
Island
Jefferson
King
Kitsap
Kittitas
Lewis
Mason
Okanogan
Pacific
Pierce
San Juan
Skagit
Skamania
Snohomish
Thurston
Wahkiakum
Whatcom
Yakima

Pacific Northwest Seismic Zones

The geographic area of British Columbia, Canada (including Vancouver Island and other Canadian islands) that is south of 50° north latitude and west of 120° west longitude.

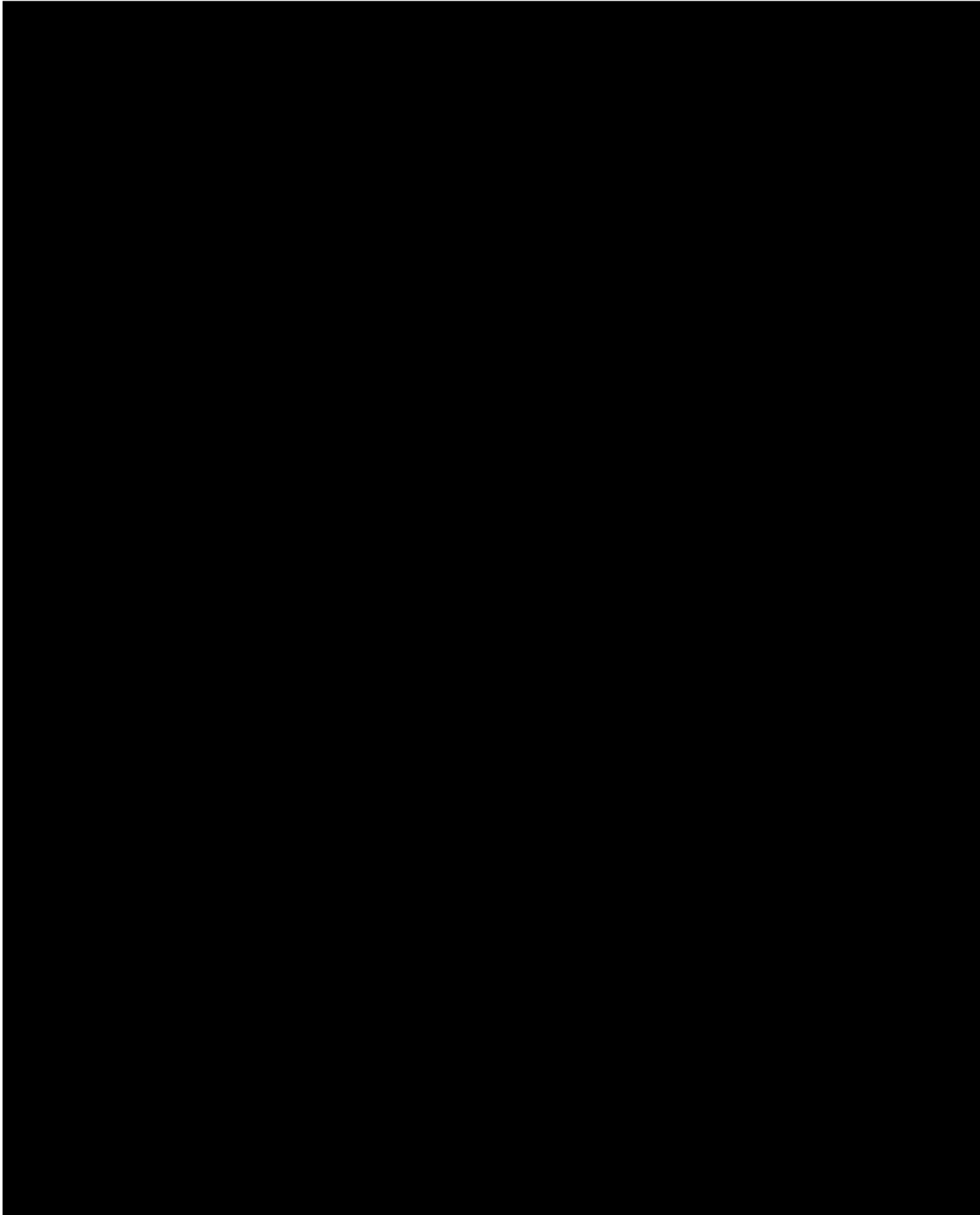
APPENDIX B
Tier 1 and Tier 2 Counties

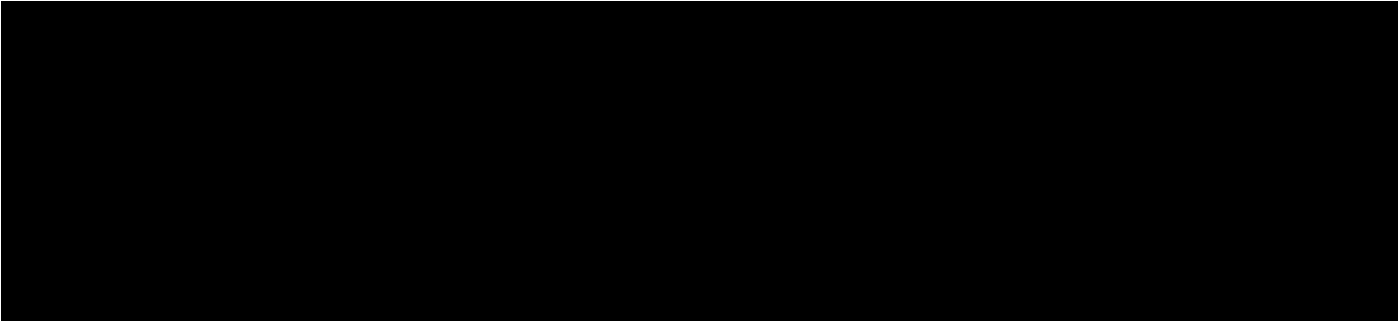
STATE	TIER 1 COUNTIES	TIER 2 COUNTIES
Alabama	Baldwin	
Alabama	Mobile	
Florida	Bay	
Florida	Brevard	
Florida	Broward	
Florida		Calhoun
Florida	Charlotte	
Florida	Citrus	
Florida	Collier	
Florida	Miami - Dade	
Florida	Dixie	
Florida	Duval	
Florida	Escambia	
Florida	Flagler	
Florida	Franklin	
Florida	Gulf	
Florida	Hernando	
Florida	Hillsborough	
Florida	Indian River	
Florida	Jefferson	
Florida	Lee	
Florida	Levy	
Florida		Liberty
Florida	Manatee	
Florida	Martin	
Florida	Monroe	
Florida	Nassau	
Florida	Okaloosa	
Florida	Palm Beach	
Florida	Pasco	
Florida	Pinellas	
Florida	Sarasota	
Florida	St Lucie	
Florida	St Johns	
Florida	Santa Rosa	
Florida	Taylor	
Florida	Volusia	
Florida	Wakulla	
Florida	Walton	
Florida		Washington
Florida		Alachua
Florida		Baker
Florida		Bradford
Florida		Clay
Florida		Columbia
Florida		De Soto

STATE	TIER 1 COUNTIES	TIER 2 COUNTIES
Florida Florida		Gadsden Gilchrist Glades Hamilton Hardee Hendry Highlands Holmes Jackson Lafayette Lake Leon Madison Marion Okeechobee Orange Osceola Polk Putman Seminole Sumter Suwannee Union
Georgia Georgia Georgia Georgia Georgia Georgia	Bryan Camden Chatham Glynn Liberty McIntosh	
Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana Louisiana	Assumption Cameron Iberia Jefferson Laforche Orleans Plaquemines St Bernard St Charles St James St John the Baptist St Mary St Martin St Tammany Terrbonne	
Louisiana Louisiana Louisiana Louisiana Louisiana	Vermilion Acadia Ascension Calcasieu	East Baton Rouge

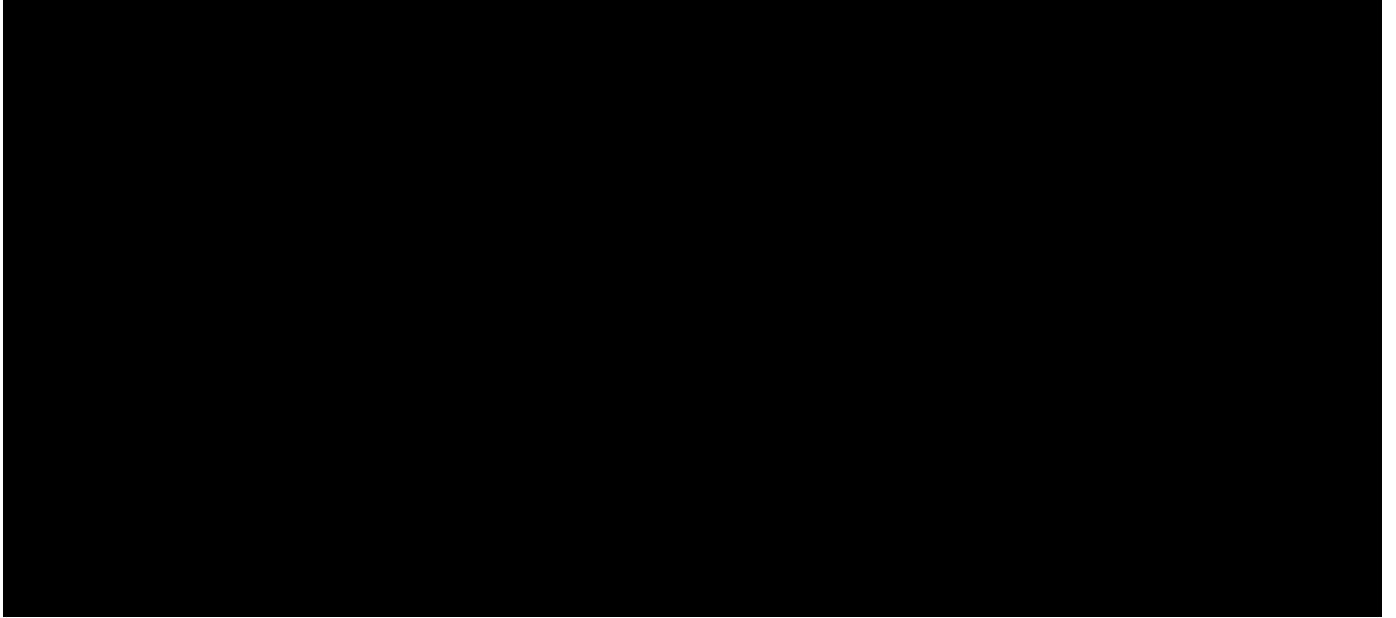
STATE	TIER 1 COUNTIES	TIER 2 COUNTIES
Louisiana	Iberville	West Baton Rouge
Louisiana	Jefferson Davis	
Louisiana	Lafayette	
Louisiana	Livingston	
Louisiana	Tangipahoa	
Louisiana	Washington	
Louisiana		
Mississippi	Hancock	
Mississippi	Harrison	
Mississippi	Jackson	
North Carolina	Beaufort	Horry Jasper Colleton
North Carolina	Bertie	
North Carolina	Brunswick	
North Carolina	Camden	
North Carolina	Carteret	
North Carolina	Chowan	
North Carolina	Craven	
North Carolina	Currituck	
North Carolina	Dare	
North Carolina	Gates	
North Carolina	Hyde	
North Carolina		
North Carolina	New Hanover	
North Carolina	Onslow	
North Carolina	Pamlico	
North Carolina	Pasquotank	
North Carolina	Pender	
North Carolina	Perquimans	
North Carolina	Tyrell	
North Carolina	Washington	
North Carolina	Hertford	
South Carolina	Beaufort	
South Carolina	Berkeley	
South Carolina	Charleston	
South Carolina	Georgetown	
South Carolina		
South Carolina		
South Carolina		
Texas	Aransas	
Texas	Brazoria	
Texas	Calhoun	
Texas	Cameron	
Texas	Chambers	
Texas	Galveston	
Texas	Jefferson	
Texas	Harris	
Texas	Liberty	
Texas	Kennedy	
Texas	Kleberg	

STATE	TIER 1 COUNTIES	TIER 2 COUNTIES
Texas	Newton	
Texas	Nueces	
Texas	Orange	
Texas	Refugio	
Texas	San Patricio	
Texas	Victoria	
Texas	Willacy	

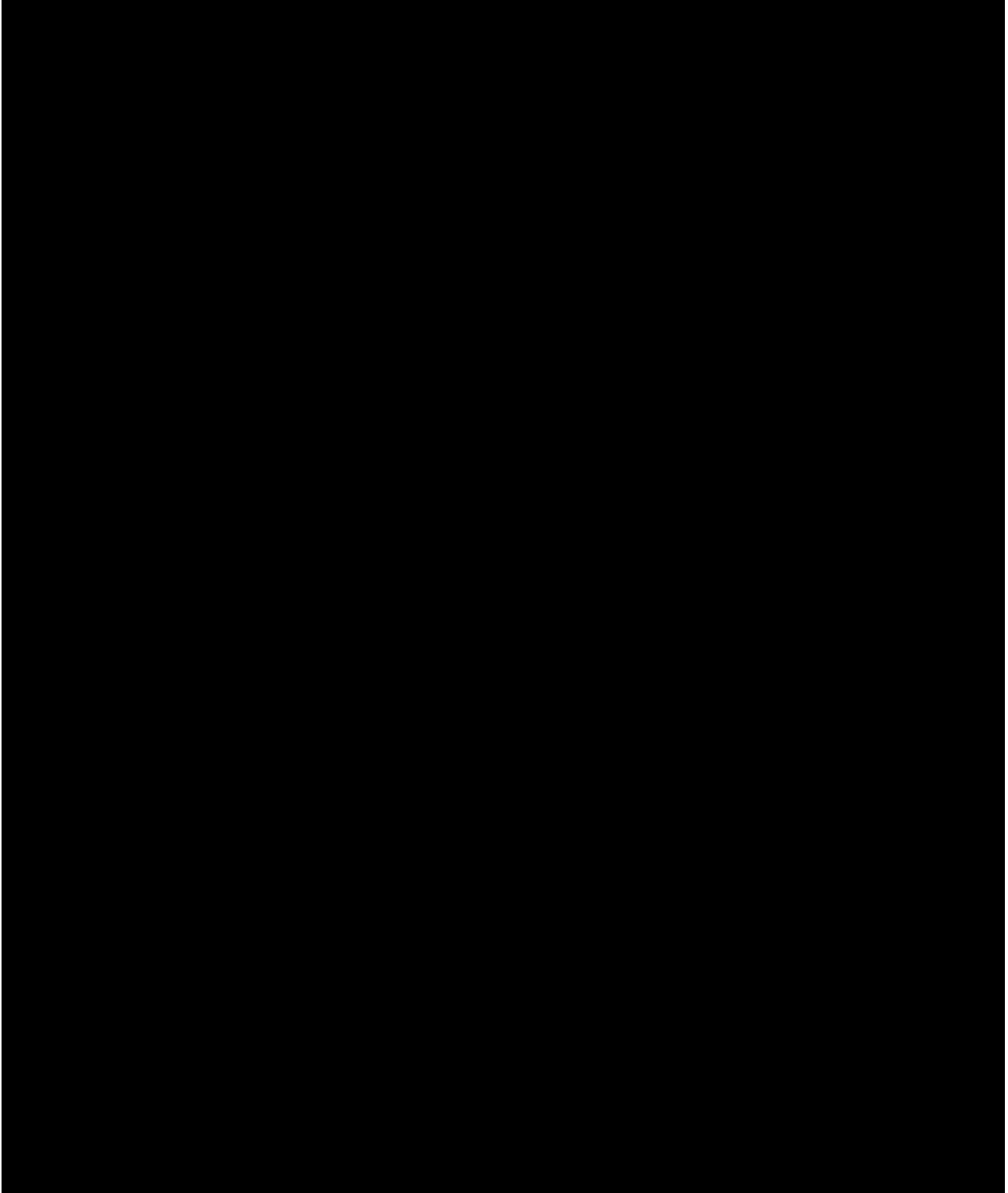




APPENDIX D



APPENDIX E



APPENDIX F

Newly Added/Acquired Locations

It is agreed and understood that, subject to provisions for Automatic Coverage as stipulated in this policy, locations added during the policy period in in locations defined below shall be subject to deductibles defined in Declarations for Newly Added/Acquired locations until otherwise agreed with Company.

Earthquake

Regional high hazard zones consisting of the following geographic areas in each of the following regions:

a. Asia Pacific Region

- i. Armenia, Bangladesh, Bhutan, Caroline Islands, Guam, Indonesia, Marianas Islands, Marshall Islands, Micronesia, Myanmar (Burma), Nepal, New Zealand, All Other Islands of the South Pacific, Pakistan, Palau Islands, Papua New Guinea, Philippines, Solomon Islands, Taiwan;
- ii. China limited to: the Provinces of Gansu, Hebei, Henan, Liaoning, Ningxia, Qinghai, Shaanxi, Shandong, Shanxi, Sichuan, Tibet, Xinjiang & Yunnan, the Inner Mongolia Region, the municipality of Tianjin and the Capital of Beijing;
- iii. India limited to: the States of Arunachal Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh & Uttarakhand and the Union Territories of Chandigarh, Dadra and Nagar Haveli & Daman and Diu;

b. Caribbean Region

Anguilla, Antigua & Barbuda, British Virgin Islands, Caribbean Netherlands, Cayman Islands, Curacao, Dominica, , Guadeloupe, Grenada, Haiti, Jamaica, Martinique, Montserrat, St. Barthelemy, St. Kitts and Nevis, St. Lucia, St. Martin/St. Maarten, St. Vincent and the Grenadines, , Turks & Caicos,

c. Eastern Europe Region

Bosnia, Bulgaria, Croatia, Georgia, Moldova, Montenegro, Romania, Serbia;

d. Latin America Region

Bolivia, Colombia, Ecuador, Guatemala, Nicaragua, Panama, Peru, Venezuela;

e. Middle East & Africa Region

Afghanistan, Albania, Algeria, Azerbaijan, Iraq, Kazakhstan, Kyrgyzstan, Macedonia, Tajikistan, Turkmenistan, Uzbekistan;

f. Western Europe Region

- i. Crete, Cyprus, Iceland, Monaco;
- ii. France limited to: the Provinces of Cannes, Marseille, & Toulon;

Named Windstorm

Locations within 50 miles of the coastline in the following geographic areas in each of the following regions:

a. Asia Pacific Region

Bangladesh, Borneo, Caroline Islands, China, Guam, Hong Kong, India, Indonesia, Japan, Macau, Marianas Islands, Marshall Islands, Micronesia, Myanmar (Burma), New Zealand, All Other Islands of the South Pacific, Pakistan, Palau Islands, Papua New Guinea, Philippines, Solomon Islands, South Korea, Sri Lanka, Taiwan and Vietnam.

b. Caribbean Region

Anguilla, Antigua & Barbuda, Bahamas, Bermuda, British Virgin Islands, Caribbean Netherlands, Cayman Islands, Curacao, Dominica, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, St. Barthelemy, St. Kitts & Nevis, St. Lucia, St. Martin/St. Maarten, St. Vincent and the Grenadines and Turks & Caicos.

c. Latin America Region

- i. Belize, El Salvador, Guatemala, Honduras, Panama; and
- ii. Mexico limited to: the States of Baja California Sur, Campeche, Colima, Guerrero, Jalisco, Michoacán, Nayarit, Quintana Roo, Sinaloa, Tabasco, Tamaulipas, Veracruz and Yucatan.

d. Middle East & Africa Region

Kenya, La Reunion Island, Madagascar, Mozambique and Mauritius

ENDORSEMENT # 1

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss

1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. Any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including the use of force or violence, of any person or group(s) of persons whether acting alone or on behalf of or in connection with an organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

An act of terrorism shall also include any act which is verified or recognized by the United States Government as an act of Terrorism.

ENDORSEMENT # 2

ASBESTOS ENDORSEMENT

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils:

Fire; Smoke; Explosion; Lightning; Windstorm; Hail; Direct Impact of Vehicles, Aircraft or Vessel; Riot or Civil Commotion; Vandalism or Malicious Mischief; Leakage or Accidental Discharge of Fire Protective Equipment.

This coverage is subject to all limitations in the policy to which this endorsement is attached and, in addition, to each of the following specific limitations:

1. The said building or structure must be insured under this policy for damage by that Listed Peril.
 2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
 3. The Assured must inspect the building or structure and report to Underwriters the existence and cost of the damage within one year after the Listed Peril first damaged the asbestos. Any later reported damage is not insured, including all damage reported more than one year after the last day of the policy period.
 4. Insurance under this policy in respect of asbestos shall not include any sum relating to:
 - (i) faults in the asbestos or its design or workmanship;
 - (ii) asbestos not physically damaged by the Listed Peril;
 - (iii) actions taken to protect human health or property; or
 - (iv) standards or requirements set by any government or regulatory authority.
- B. Except as set forth in the foregoing Section A, this policy does not insure asbestos or any sum relating thereto.

ENDORSEMENT # 3

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

ENDORSEMENT # 4

MOLD, MILDEW AND FUNGUS CLAUSE AND MICROORGANISM EXCLUSION

- A. This policy only insures physical loss or damage to insured property by mold, mildew or fungus when directly caused by a peril insured by this Policy occurring during the policy period.

This coverage is subject to all limitations in the policy to which this endorsement is attached and, in addition, to each of the following specific limitations:

1. The said property must otherwise be insured under this policy for physical loss or damage by that peril.
 2. The Assured must report to Underwriters the existence and cost of the physical loss or damage by mold, mildew or fungus as soon as practicable, but no later than twelve (12) months after the peril first caused any physical loss or damage to insured property during the policy period. This policy does not insure any physical loss or damage by mold, mildew or fungus first reported to Underwriters after that twelve (12) month period.
 3. Regardless of circumstance or other policy provisions, the maximum amount insured and payable under this policy for all mold, mildew or fungus caused by or resulting from such peril is \$ 150,000,000 for any one OCCURRENCE.
- B. Except as set forth in the foregoing Section A, this policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:
- mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

ENDORSEMENT # 5

GREEN COVERAGE ENDORSEMENT

It is agreed that this Endorsement is a part of the Policy and that the terms and conditions of the Policy are amended as described herein. All other terms and conditions of the Policy remain unchanged.

Subject to the terms, conditions, exclusions and limitations of the Policy, as provided in the VALUATION clause in the PROPERTY DAMAGE section of the Policy when insured property is repaired or replaced as a direct result of insured physical loss or damage, the Policy is extended as follows:

In respects of locations or structures with an existing Green Authority Certification

This policy covers the reasonable and necessary costs incurred by the Insured to satisfy the minimum requirements to obtain the same pre-loss point status under the Green Authority certification including but not limited to:

1. Added costs to hire an accredited architect, engineer or other professional to design, oversee or document the repair or replacement of the damaged building to "Green" certification standards.
2. Added costs in testing to verify that the repaired or replaced building components and systems are performing in accordance with "Green" certification requirements.
3. Added costs in the registration and recertification fees charged by the United States Green Building Council or foreign certification equivalent.
4. The cost to fill soil on the roof or replant a plant layer on the roof.

In respects of locations or structures without an existing Green Authority Certification

This policy covers the reasonable and necessary costs incurred by the Insured, not to exceed the lesser of \$10,000,000 per OCCURRENCE for Property Damage and Time Element combined or 10% of the amount of Property Damage loss at the Insured location, to satisfy the minimum requirements to obtain the Green Authority certification including but not limited to:

1. Added costs repair or replace such damaged insured property with material or like kind and quality that qualifies as Green.
2. Added costs to fill soil on the roof or plant a plant layer on the roof.
3. Added costs to flush out the air in the area of the physically damaged insured property with 100% outside air and to provide replacement filtration media for the building's ventilation system that controls such damaged area all when part of a Green reconstruction.

4. Added costs to hire an accredited architect, engineer or other professional to design, oversee or document the repair or replacement of the damaged building to Green certification standards.
5. Added costs in testing to verify that the repaired or replaced building components and systems are performing in accordance with Green certification requirements.
6. Added costs in the registration and certification fees charged by the United States Green Building Council or foreign certification equivalent.

References and Applications: The following term(s) means:

Green

Products, materials, methods and processes certified by a Green Authority that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

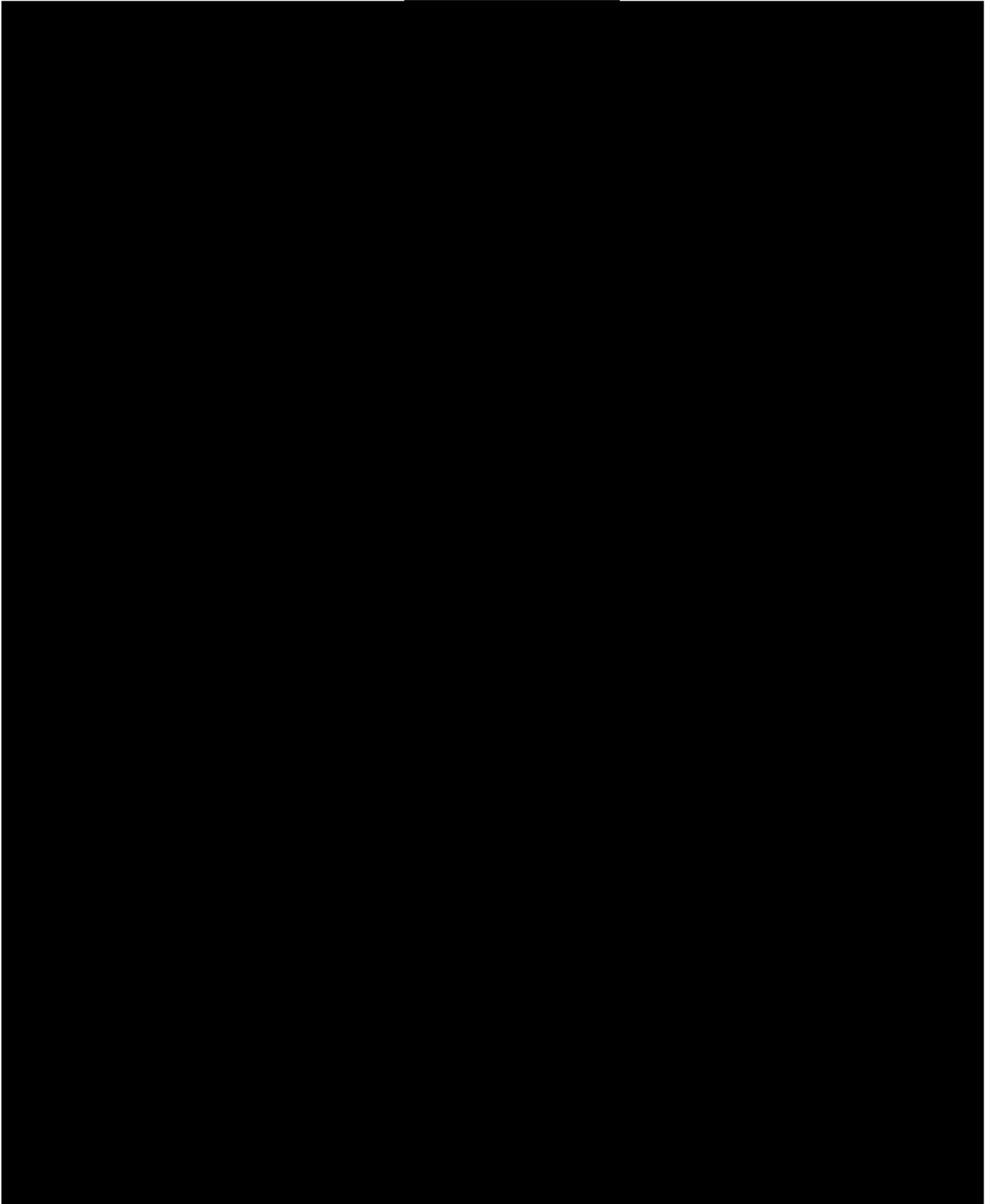
Green Authority

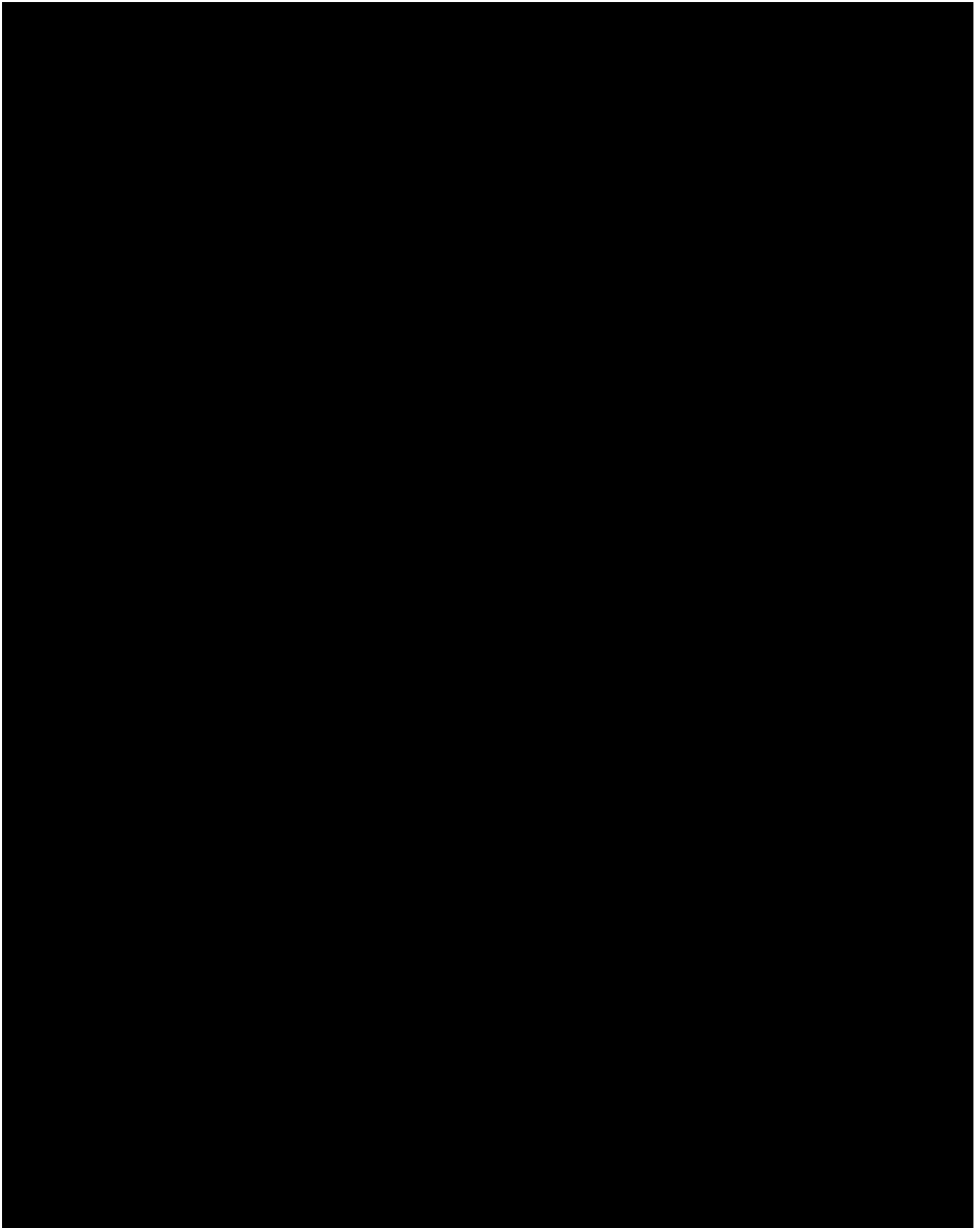
An authority on Green buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmentally Design (LEED ®), Green Building Initiative Green Globes ®, Energy Starr Rating System or any other recognized Green rating system.

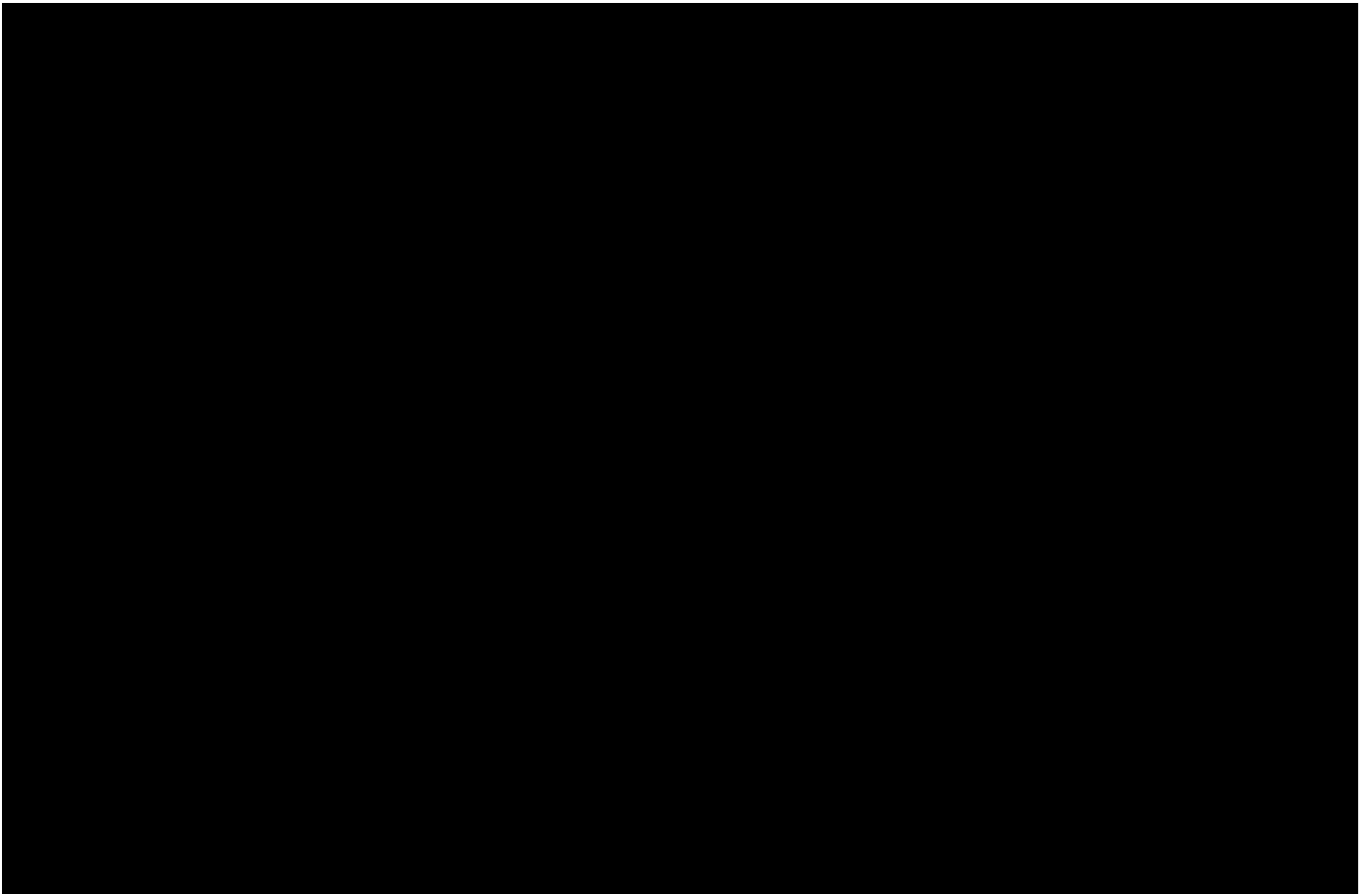
TIME ELEMENT

The PERIOD OF LIABILITY applying to insured TIME ELEMENT loss shall include the additional time that results due to the Insured's inability to resume operations directly resulting from the coverage provided in this Endorsement.

ENDORSEMENT # 6







ENDORSEMENT # 7

APPLICATION OF SUBLIMITS ENDORSEMENT

- 1. Application to Insured Interests.** Each sublimit stated in this Policy applies as part of, and not in addition to, the overall Limit of Liability for an Occurrence insured hereunder. Each sublimit is the maximum amount recoverable from all insurance layers combined for all insured loss, damage or destruction, expense, time element or other insured interest relating to the Occurrence.
- 2. Application within Perils.** If insured under this Policy, any sublimit for Earthquake, Flood, or Named Windstorm is the maximum amount recoverable from all insurance layers combined for all insured loss, damage or destruction, expense, time element or other insured interest relating to such an Occurrence.
- 3. A.** The following definitions wherever used in the Policy are amended to include the following additional conditions
 - (1)** The term Earthquake or Earth Movement as the case may be shall include tsunami, tidal wave, seismic sea wave, or series thereof caused by any one disturbance.
 - (2)** The term Flood does not include Storm Surge caused by named Windstorm, or tsunami, tidal wave, seismic sea wave, or series thereof caused by Earthquake or Earth Movement if otherwise defined under the Policy.
 - (3)** The term Named Windstorm shall include Storm Surge. Storm Surge means water driven inland from coastal waters by high winds and low atmospheric pressure caused by Named Windstorm. Such definition shall not be considered Flood.

This endorsement takes precedence over and, if in conflict with any other wording in the contract bearing on the application of sublimits, replaces that wording.

ENDORSEMENT #8

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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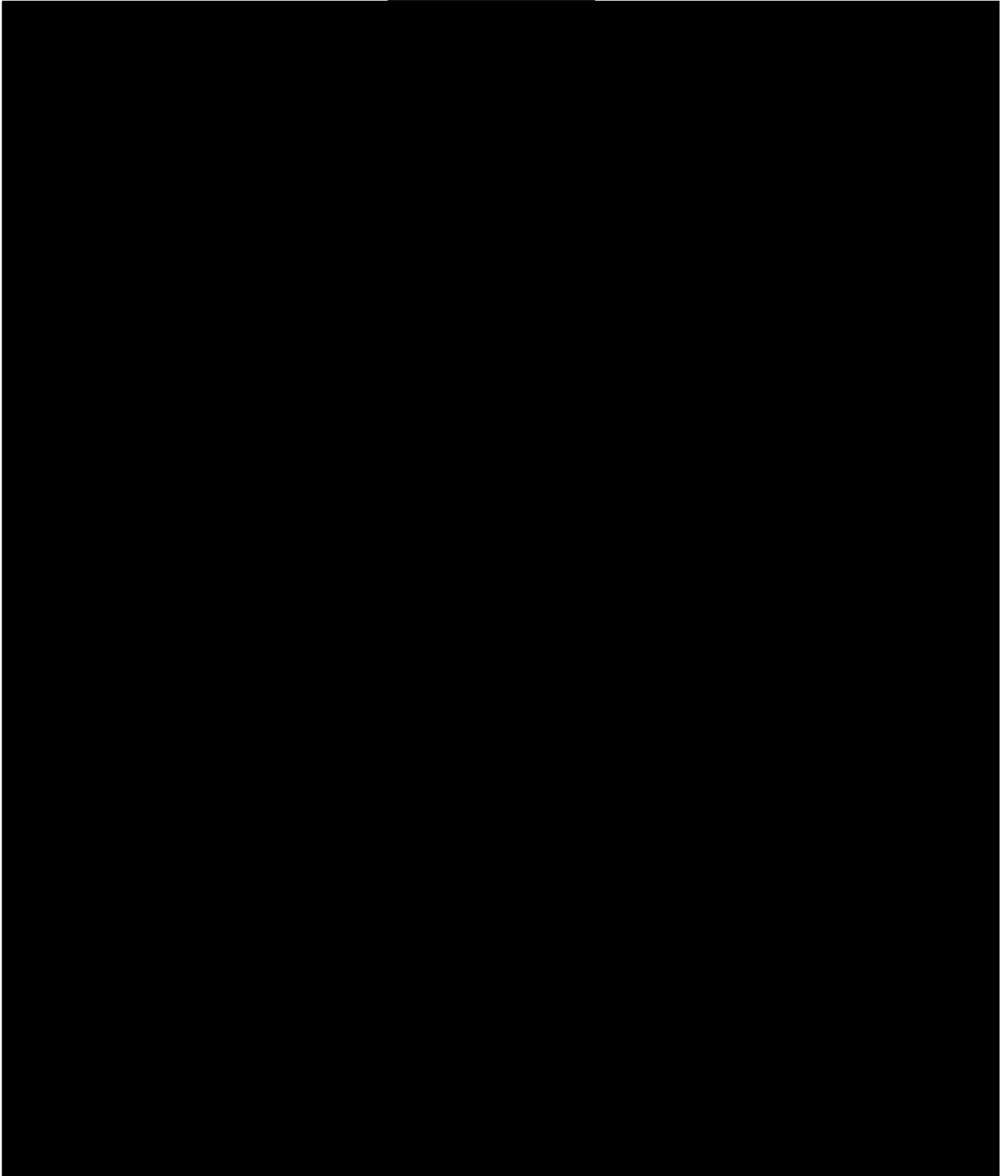
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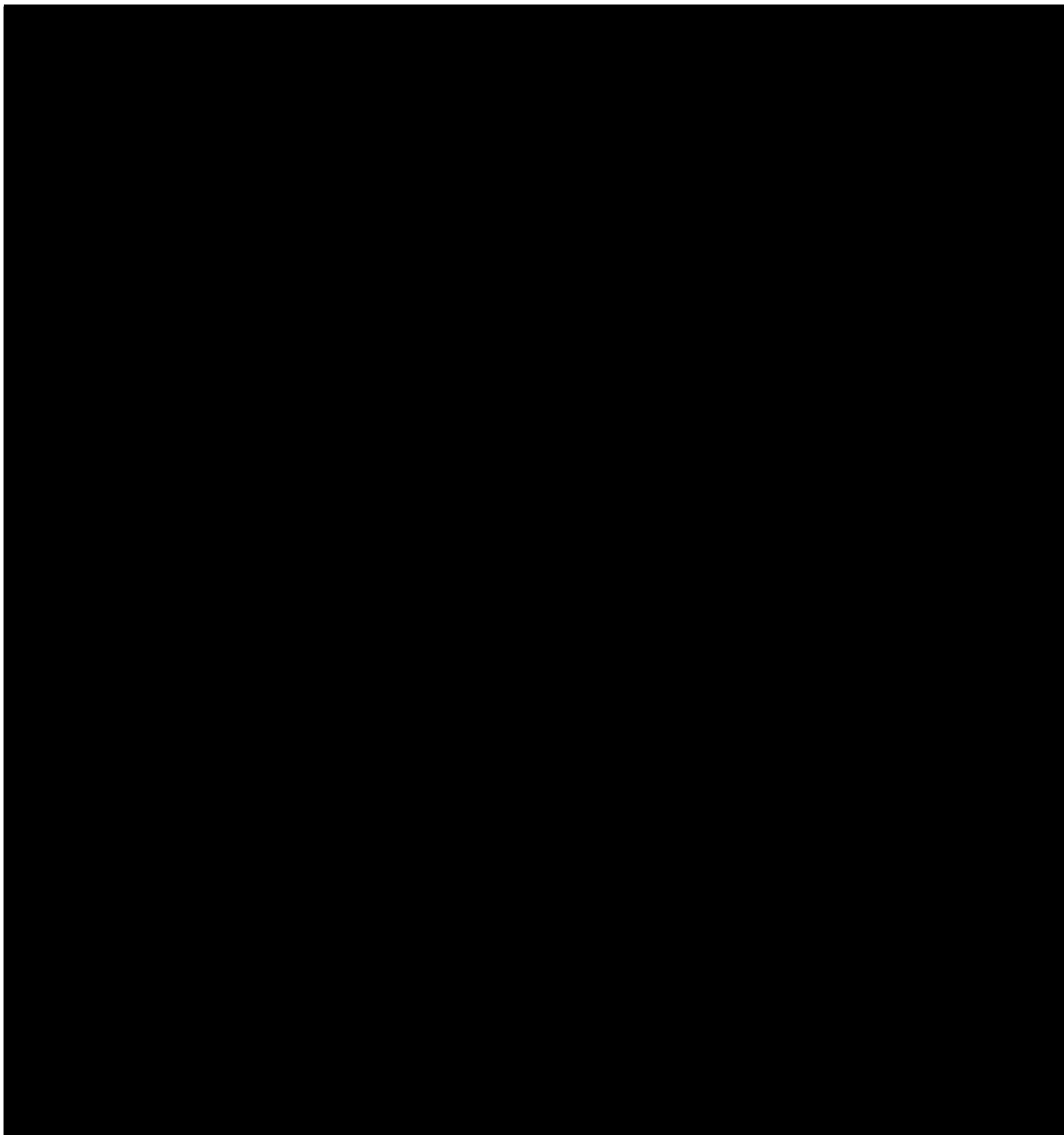
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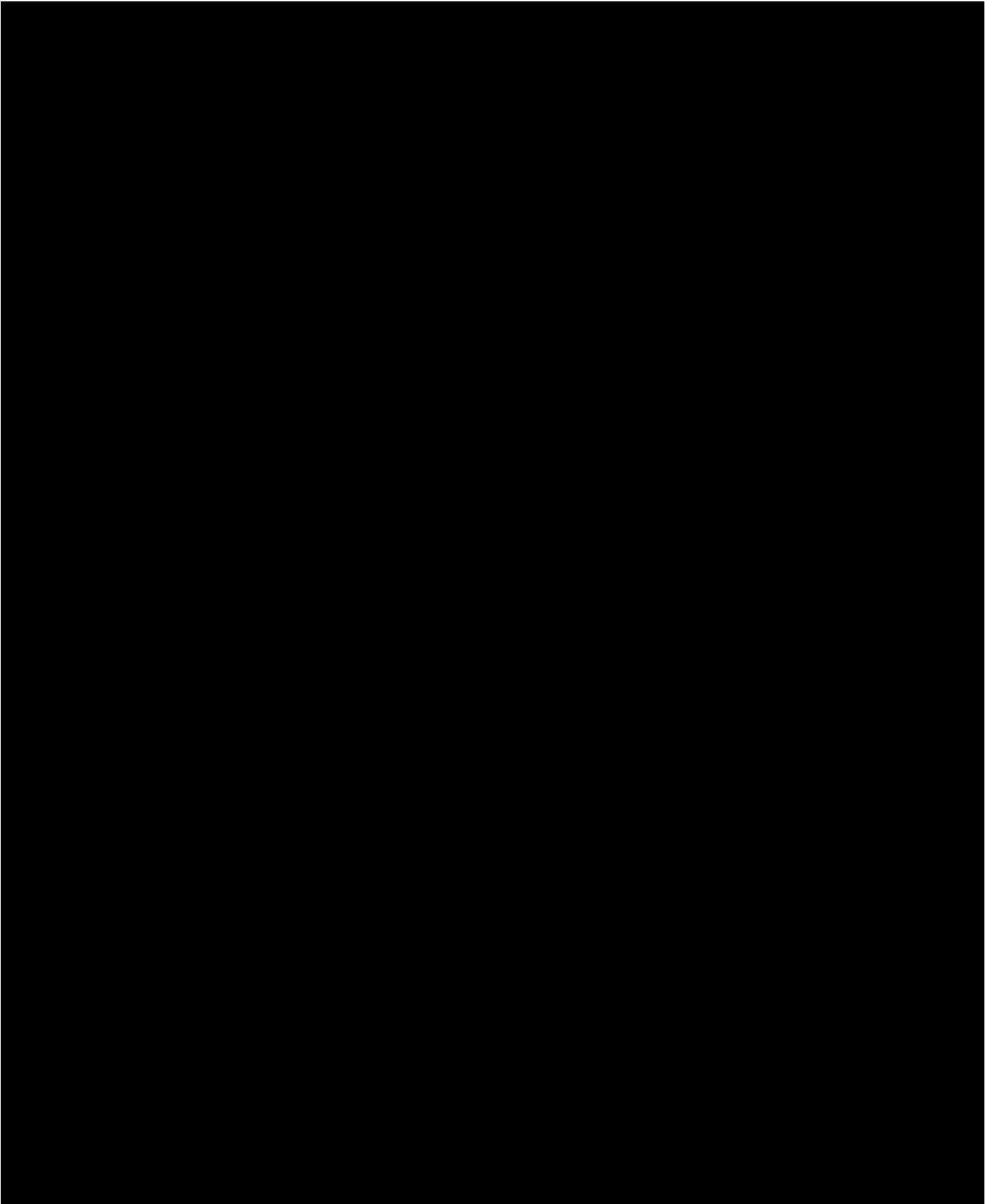
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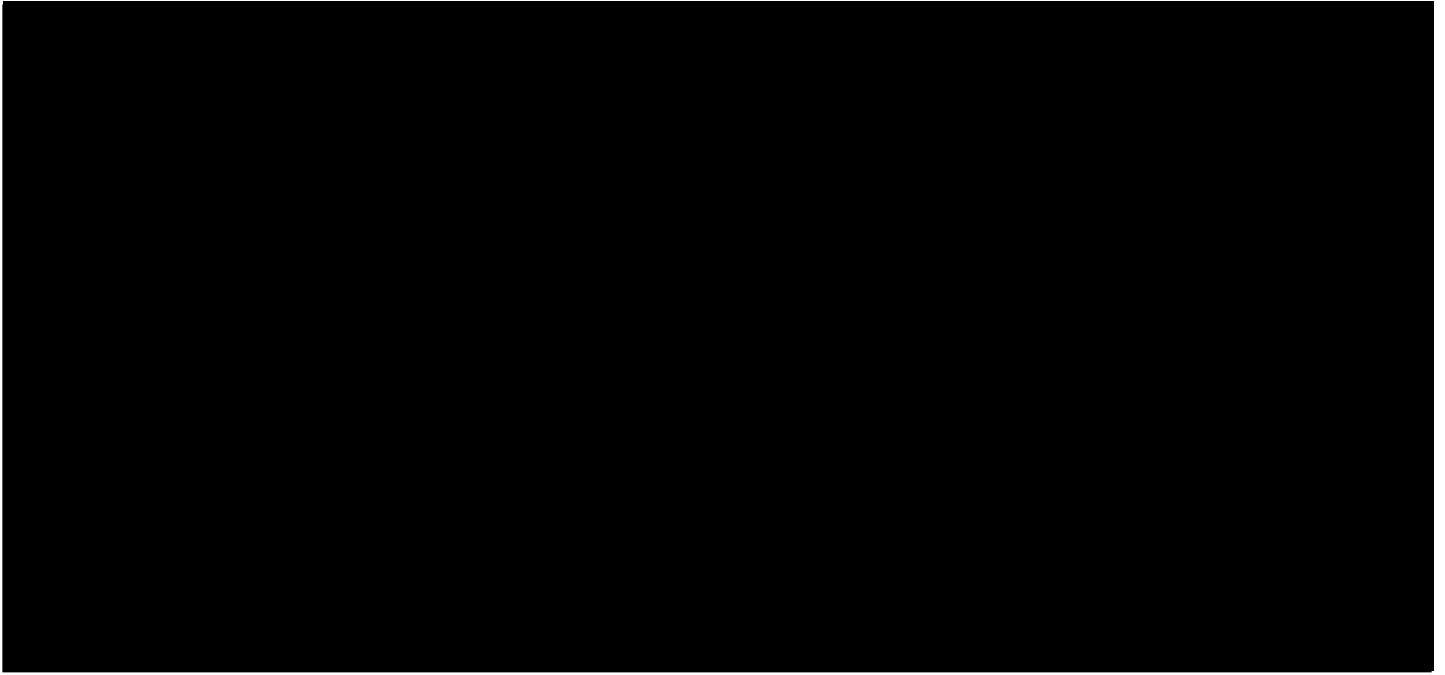
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ENDORSEMENT #9









ENDORSEMENT #11

ELECTRONIC DATA ENDORSEMENT

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature (including but not limited to CYBER EXTORTION PAYMENTS) and any business interruption losses resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to Trojan Horses, worms and time or logic bombs.

CYBER EXTORTION PAYMENTS means anything of value, including money, or other property or services that the Insured is forced to pay or to provide to third parties for an act, threat or series of threats made to introduce a Computer Virus or gain unauthorized access to the Insured's Computer Systems.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:

Fire

Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon,

providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$ 25,000,000 any one loss, incurred by the Assured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

"Media" is defined as materials upon which data is recorded including, but not limited to, papertapes, cards, electronic memory circuits, and magnetic or optical storage devices.



Revised Definition of Spouse Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.		
Policyholder	Policy No.	Effective Date:
Marriott International, Inc.	PPR 3700638-17	04/01/2019

It is hereby understood and agreed that the following changes are made and incorporated into the Policy/Certificate:

PURPOSE: California law provides that registered domestic partners have the same rights, protections, and benefits, and are subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses. Existing law requires, where necessary to implement the rights of registered domestic partners, gender-specific terms referring to spouses to be construed to include domestic partners.

DEFINITIONS, TERMS, CONDITIONS AND PROVISIONS:

The definitions, terms, conditions or any other provisions of the policy, contract, certificate and/or riders and endorsements to which this mandatory endorsement is attached are hereby amended and superseded as follows:

Spouse includes a Registered Domestic Partner.

Except for the above, this endorsement does not vary, alter, waive, or extend any of the terms of the **Policy/Certificate** to which it is attached.

Endorsement No. [12]

Insurance Company: Zurich American Insurance Company

Date:

Countersigned by

International Property Endorsement



Insureds Name	Policy Number	Effective Date	Endorsement Number
Marriott International, Inc.	PPR 3700638-17	4/1/2019	13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies insurance provided under the policy

1. Declarations- Territory of the Insuring Agreement the following is added

Loss or damage to locations in a **Prohibited Jurisdiction** is not covered under this policy:

Prohibited Jurisdiction means any country or political subdivision, outside the United States of America and its territories and possessions, in which we are not allowed to insure risks and where doing so would violate the insurance laws and regulations of such country or political subdivision.

2. The Limits of Liability Sections of the policy are amended to include the following

1. Overall International Insurance Program Limit and Sub-Limits of Insurance

In consideration of the payment of the premium for your international insurance program, you and we agree that for the purpose of the application of the Limit of Insurance and any of the Sub-Limits of Insurance under this policy, the total sum of loss that could be payable for the same, **occurrence** under:

- a. this policy;
- b. local policy(ies); and the
- c. **FoS(Freedom of Services) policy(ies)**,

or any combination of the above mentioned policies (a., b. and c. hereafter referred to collectively as "the Policies") cannot exceed the applicable limits as shown in the Limits of Liability Sections of this policy.

3. Property Damage – Section B

This section is revised to add the following:

Additional first Named Insured Coverage

1. Notwithstanding any provision to the contrary, we will pay for loss in a **Prohibited Jurisdiction**, only to the first Named Insured as respects its insurable interest and only to the extent the loss is not otherwise insured, provided:
 - a. The local law in the **Prohibited Jurisdiction** prohibits coverage under or payment for loss under Non-Admitted Insurance, Difference In Conditions Insurance, or Difference In Limits Insurance; and

- b. The loss is a result of direct physical loss or damage caused by a **covered cause of loss** to Property of the type insured according to the terms and conditions of this policy and that physical loss or damage would give rise to a claim under this policy if it occurred in the Coverage Territory.
 - c. The most we will pay under this Coverage is the amount that would have been payable under this Policy if local law allowed coverage under or payment for loss under Non-Admitted Insurance, Difference In Conditions Insurance, or Difference In Limits Insurance.
2. In the event of loss payable to the first Named Insured as described above, the applicable subsidiary where the physical loss or damage occurs shall be required to comply with all the provisions under Loss Conditions section of this policy.
 3. Any subsidiary(ies) located in any **Prohibited Jurisdiction** where local law prohibits coverage under or payment for loss under Non-Admitted Insurance, Difference In Conditions Insurance, or Difference In Limits Insurance, are not parties to or beneficiaries under this policy and have no rights under it.
 4. In the event of loss in a **Prohibited Jurisdiction** payable under this provision, the first Named Insured shall pay us an amount equal to its share of any recoveries made by or on behalf of any subsidiary as if the first Named Insured had received such recoveries, or payment to the first Named Insured under this policy shall be reduced by the recoveries made by or on behalf of any subsidiary.
 5. We will pay no more than the applicable sub-limit(s) of insurance indicated in the Limits of Liability sections of the policy for the first Named Insured Additional Coverage.
 6. The following additional exclusion applies

Netherlands: This Policy excludes physical loss or damage directly or indirectly caused by or resulting from the failure or overflowing of dikes, dams, floodgates or other similar works, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss. However, if there is ensuing physical loss or damage by fire or explosion, the exclusion does not apply to the loss or damage caused by the fire or explosion.

Covered Cause of Loss means all risks of direct physical loss or damage, unless excluded.

4. The Exclusions Section of the Policy is amended to add the following
The following applies to all locations or covered property outside of the USA, its territories, possessions and missions, and the Commonwealth of Puerto Rico:

This Policy excludes loss or damage that is covered under any government or national program, pool or scheme. This policy shall apply as excess of any amounts recoverable under such programs, pools or schemes, subject to the Policy provisions, including applicable exclusions, deductibles and limits, all as shown in this section and elsewhere in this Policy.

5. The General Provisions Section of the policy is amended to include the following
International Insurance Program Structure

This policy is part of an international insurance program. This program arrangement is a compilation of different policies, which all have one common goal: to cover you as agreed to in this policy.

Therefore, you agree to special clauses regarding limits and deductibles with us, considering the overall intent of your international insurance program.

The following policies may be part of your international insurance program:

- this policy
- local policy(ies)
- **FoS (Freedom of Services) policy(ies)**

FoS (Freedom of Services) Policy means a policy which only covers risks and locations in the **EEA**. **EEA** means the European Economic Area; within this area, free provision of services in all countries without any additional insurance license is allowed.

Special Conditions regarding Aggregation

In the event that the total sum of payments for loss under "the Policies" for the same **occurrence** exceeds the applicable Limit of Insurance or any applicable Sub-Limits of Insurance under this policy, you agree to reimburse us for any amount that we pay that exceeds such Limit of Insurance or Sub-Limit of Insurance.

Any amount due under the terms of this clause shall be paid within 28 days of notice from us.

Overall International Insurance Program Deductible

In consideration of the payment of the premium for your international insurance program, you and we agree that for the purpose of the application of the deductible(s) for loss payable under this policy, that the deductible(s) amounts applied under local policy(ies) and **FoS (Freedom of Services) policy(ies)**, as applicable, for loss for the same **occurrence**, as payable under this policy, are added together. Deductibles that apply to types of coverage, **covered causes of loss**, specific locations, or specific property will be added together in the applicable policy(ies) in the same manner that they are applied under this policy.

In the event that the sum of deductible(s) produced by this calculation exceeds the applicable deductible(s) as shown in the Declarations Schedule for the loss for the same **Occurrence** payable under this Policy, the Company shall undertake to reimburse the amount that exceeds the applicable deductible(s) as shown in the Declarations Schedule of this policy.

In the event that the sum of deductible(s) produced by this calculation is less than the applicable deductible(s) as shown in the Deductibles Section for the loss for the same **occurrence** payable under this policy, then the difference between the applicable deductible under this policy and the sum calculated above will be applied under this policy.

6. Loss Conditions section of the policy is amended to include the following additional condition

7) Duties as respects direct physical loss or damage in a Prohibited Jurisdiction

The duties and requirements imposed upon any insured under this Policy shall not apply in any **Prohibited Jurisdiction**. However, with respect to any direct physical loss or damage in a **Prohibited Jurisdiction**, it shall be the duty of the first Named Insured to do or to cause the applicable subsidiary to do such things as would be required of such subsidiary if this policy applied directly to such claim or "suit", as the case may be.

When the amount of direct physical loss or damage is determined, we will promptly pay to or reimburse the first Named Insured, at the mailing address listed in the Declarations, the amount of physical loss or damage covered under the terms of this policy.

The first Named Insured shall pay us an amount equal to its share of any recoveries made by or on behalf of any subsidiary operating in a **Prohibited Jurisdiction**, as if such recoveries had been received by the first Named Insured.

8) NON-ADMITTED INSURANCE

If physical loss or damage occurs at a **Location** outside of the United States of America including its territories and possessions, the Company will pay according to the terms and conditions of this Policy for loss as a result of direct physical loss of or damage caused by a **Covered Cause of Loss** to Covered Property occurring at a **Location**, provided there is no local insurance applying to such **Location**.

All other terms and conditions of the policy remain unchanged.

Signed

Date



Exclusion of Loss Resulting from Certified Acts of Terrorism with Exceptions and Sub-Limits

Insured Name Marriott International, Inc.	Policy Number PPR 3700638-17	Effective Date 04/01/2019	Endorsement Number 14
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies your insurance:

The following exclusion and limitations apply to all loss or damage under all coverage(s) of the policy and for all locations (whether or not identified in this endorsement).

A. Terrorism Exclusion

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism", including action in hindering or defending against an actual or expected "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

B. Exceptions to the Terrorism Exclusion

- 1. Fire Following Exception.** If the "certified act of terrorism" results in fire, we will pay for the direct physical loss or damage to Covered Property caused by that fire. This exception does not apply to any other loss or damage including but not limited to business income, extra expense, any additional coverage and any coverage extension. Regardless of the method of valuation otherwise stated for the property, we will value the property subject to this exception at actual cash value.
- 2. Scheduled Locations Exception.** If locations are identified in the Schedule of Locations of this endorsement, the Terrorism Exclusion does not apply to loss or damage at those locations.

C. Sub-Limits of Insurance Applicable to Terrorism

These sub-limits apply to all loss or damage resulting from a "certified act of terrorism" to which the Terrorism Exclusion does not apply for any reason, whether by application of an exception or otherwise, and for which the policy provides coverage. Our total payment(s) for loss or damage caused directly or indirectly by a "certified act of terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to the "certified act of terrorism", shall not exceed the lesser of the applicable limit(s), including sub-limits, stated in the policy or:

- For the total amount of all loss or damage at a location identified in the Schedule of Locations of this endorsement, the applicable scheduled sub-limit stated in this endorsement for that location.
- For direct physical loss or damage to building and personal property at all other locations, the applicable Sub-Limit for All Other Locations stated in this endorsement.
- For the total amount of all loss or damage in any one policy year under all coverage(s) regardless of the number of locations involved or number of "certified acts of terrorism", the Annual Aggregate Limit stated in this endorsement.

Schedule of Locations

Location	Sub-Limit per "certified act of terrorism"
1. ALL LOCATIONS	\$ NCP
2.	\$
3.	\$
4.	\$
5.	\$

Sub-Limit for All Other Locations: \$2,500,000 in the aggregate per "certified act of terrorism".

Annual Aggregate Limit: \$2,500,000 regardless of the number of "certified acts of terrorism".

D. Deductibles

We will not pay for any otherwise covered loss or damage subject to the sub-limits of this endorsement until the amount of that loss or damage exceeds the applicable deductible(s) stated in this endorsement. We will then pay the amount of that loss or damage in excess of the deductible(s) up to the applicable sub-limit of insurance. The deductible amounts are:

1. For loss or damage at locations identified in the Schedule of Locations of this endorsement, \$ _____ per location for each "certified act of terrorism".
2. For all other locations: \$ _____ per location and for each "certified act of terrorism".

If no amount appears in the applicable line, the policy deductible(s) apply.

E. Definition

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

F. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

G. Cap on Losses From Certified Acts of Terrorism

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

All other terms and conditions of this policy remain unchanged.



Multiple Policies Endorsement

LIMIT OF INSURANCE

Insureds Name	Policy Number	Effective Date	Endorsement Number
Marriott International, Inc.	PPR 3700638-17	04/1/2019	15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE POLICIES – LIMIT OF INSURANCE

In the event of direct physical loss of or damage to Covered Property caused by a **covered cause of loss** in any one (1) **occurrence** involving this policy and any other policies issued by us or issued on our behalf to the Named Insured, the total amount of insurance payable by any combination of policies issued by us or issued on our behalf to the Named Insured shall not exceed the (policy) Limit of Insurance as shown in the Declarations, nor any Premises Limit or any Sub-Limits of Insurance as shown in the Declarations Schedule in the designated controlling policy.

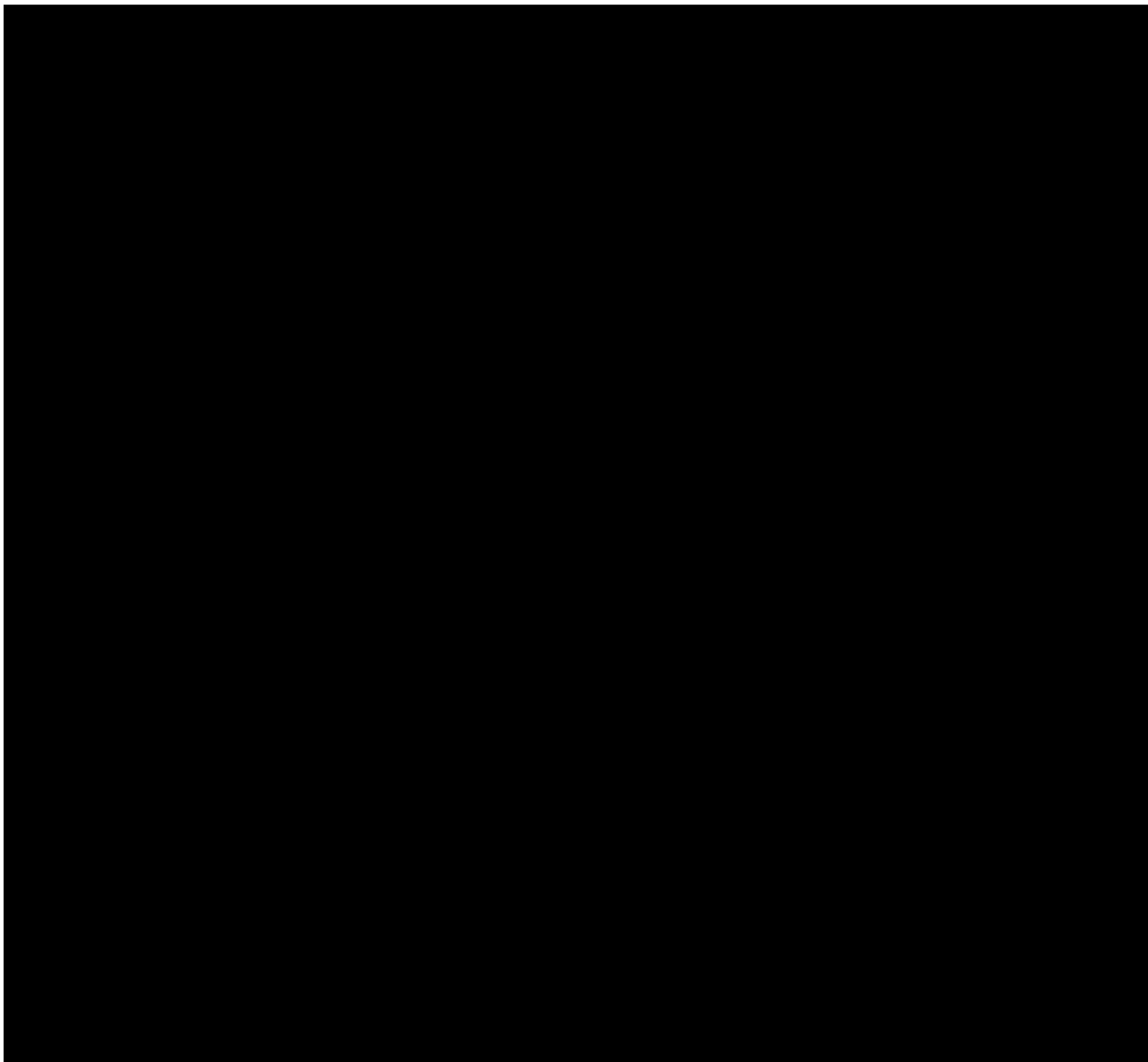
The designated controlling Policy Number is PPR 3700638-17

Signed

Date



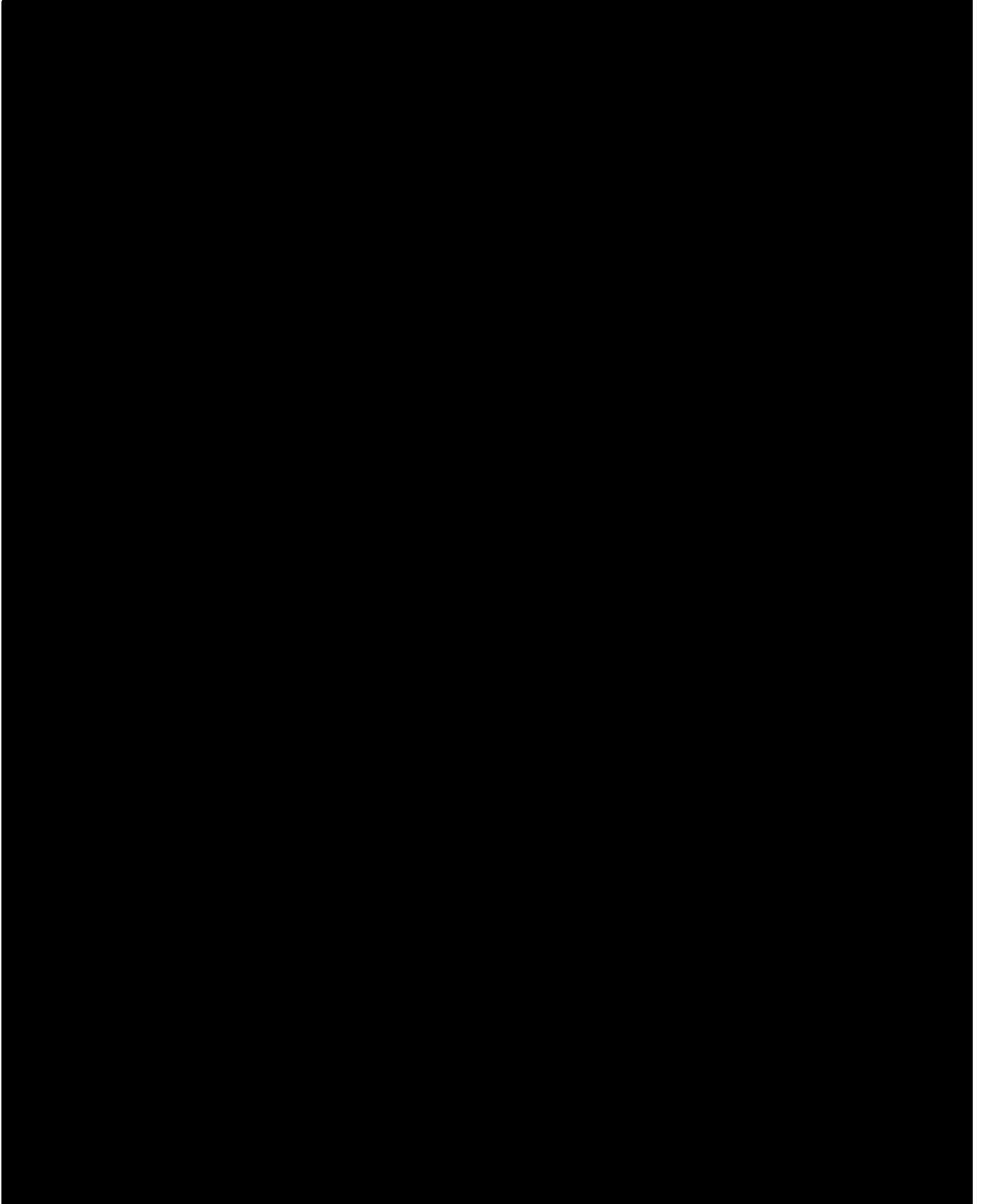
Amendatory Endorsement - Puerto Rico



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INTERNAL USE ONLY

ENDORSEMENT #17



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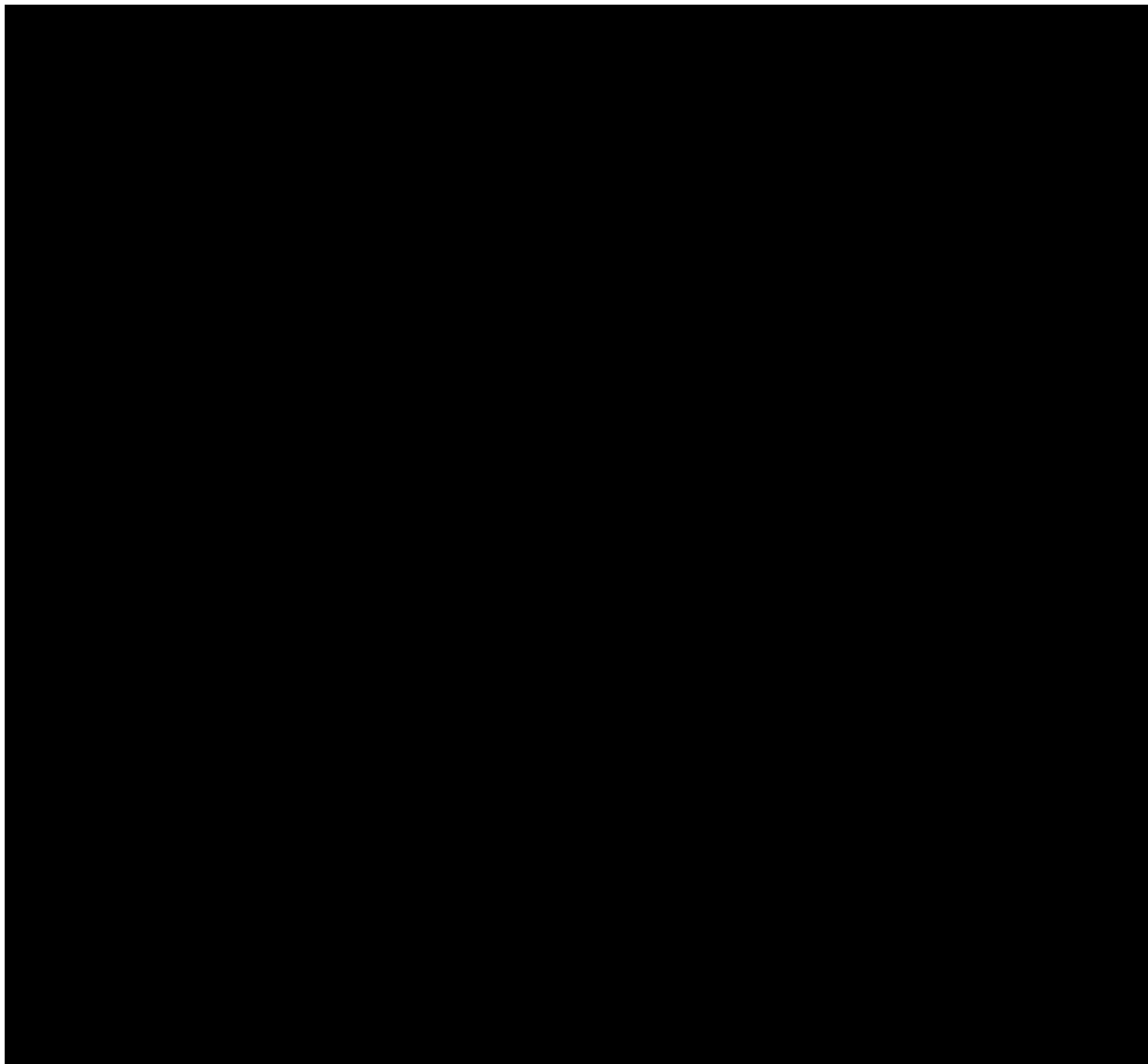
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Named Insured: Marriott International Inc.

Policy Number: PPR 3700638-17

Effective Date: June 1, 2019

Endorsement # 18



Policy Changes Endorsement

